FBIS DAILY REPORT CONTENTS

Latin America

4 Aug 87 FBIS-LAT-87-149 i

CARIBBEAN

CUBA

Angolan President, Castro Begin Official Talks A 1
Discuss Southern Africa [Lisbon] A 1
Attend Performance A 1
Issue Communique A 1
Dos Santos Leaves A 2
Haitian Democratic Front Calls Off Strike A 2
Vice President Rodriguez Discusses CEMA A 3
Paraguayan 'Democratic Opening' Termed 'Fallacy' A 5
Panamanian Opposition Strike 'Not Successful' A 6
Mexicans Cited on Conditions at U.S. Border A 6
Water Rationing 'Rumor' Denied; Drought Continues A 7

OTHER COUNTRIES

HAITI

Youth Organization Protests Army Communique B 1
Democratic Front Suspends Strike; Climate 'Tense' [EFE] B 1
Political Leader Enters Jeremie With Armed Men B 2
Jeremie People Panic B 3
Opposition Leader Louis E. Athis Killed 2 Aug [AFP] B 4
Others Also Attacked B 4

MEXICO

Sepulveda Makes 'Secret' Visit to Cuba [EFE] C 1
Sepulveda Asserts U.S. Policy Hampers Area Peace C 1
Sepulveda, Consalvi Depart for Meeting in Honduras C 2
Young 'Dissidents' Take Over PRI Offices C 3

CENTRAL AMERICA

EL SALVADOR

Duarte Will Not Aid Proposed Arias-FMLN Meeting F 1
Venceremos Details FMLN-Army Clashes F 1

GUATEMALA

Alfonso Cabrera Replaces Foreign Minister Quinones G 1
URNG Announces Truce To Support Summit [AFP] G 1

NICARAGUA

Defense Minister Outlines Nature of U.S. 'War' I 1
Managua Interviews Panamanian on U.S. Pressure I 5

PANAMA

Democratic Revolutionary Party Statement on Crisis J 1
[LA ESTRELLA DE PANAMA 25 Jul]
Briefs: New Ecuadoran Envoy J 6

SOUTH AMERICA

ARGENTINA

Alfonsin on Debt, Modifications to Constitution K 1
Alfonsin Delivers Speech at Stock Exchange K 2
Army's Caridi Views Media, Military Issues K 2
Clarifies Remarks on Media K 3
Ministry Denies Selling Planes to Nicaragua K 4
Agriculture Secretary Protests U.S. Wheat Offer K 4

BRAZIL

Military Commanders View Political Issues M 1
[O ESTADO DE SAO PAULO 2 Aug]
Finance Minister Bresser Pereira on Economy M 2
Comments on Public Deficit M 2
Says Flexibilization Under Way M 2
Views Proposal to Creditors M 3
CUT President on Labor, Political Issues M 3
[O ESTADO DE SAO PAULO 2 Aug]
Briefs: Airplane Sale to Paraguay M 3

CHILE

Officials Discuss New U.S. Note on Letelier Case N 1
Ministry To Give FRG Information on Prisoners N 1
Letter Requests U.S. Ban Athletes From Games N 2
Christian Democratic Party Elects Leaders [EFE] N 2

COLOMBIA

EL SIGLO on M-19 Unified Army Proposal [14 Jul] O 1
Venezuelan 'Agents' Allegedly Kidnap Pilot O 3
Briefs: New Envoy to U.S. O 3

PARAGUAY

Controversy Characterizes Colorado Party Convention Q 1
Police Bar Traditionalists Q 1
Resolution Suspends Convention Q 2
To Proceed With 2 Factions Q 3
Minister Rebuts Chaves Q 3
Traditionalists Denounce Tactics Q 4
Chaves Addresses Followers [HOY 2 Aug] Q 5
MIC Leader Discusses Support [HOY 2 Aug] Q 6
Leader on Talk With Stroessner Q 6
Police Free Opposition Leaders Arrested 30 Jul Q 8
Leader Comments on Detention Q 8
Imprisoned Politician's Condition 'Serious' Q 9
News Media Condemn Attack on Photographer Q 9

PERU

United Left Blames Garcia for Nation's Misfortunes [EFE] R 1
Larco Cox Says No Expropriation of Foreign Banks [Buenos Aires REUTER] R 1
Banks, Others Firms, Returned to Owners 3 Aug [DPA] R 2

VENEZUELA

'Dirty Campaigns' Designed To Discredit Contadora T 1

ANGOLAN PRESIDENT, CASTRO BEGIN OFFICIAL TALKS

FL312354 Havana Radio Rebelde Network in Spanish 2300 GMT 31 Jul 87

[Text] Official talks began today between the Cuban and Angolan delegations headed by Presidents Fidel Castro and Jose Eduardo dos Santos, respectively. The talks began this morning and coninued through this afternoon. They were held in a fraternal and unified atmosphere.

Also present on behalf of Cuba were Carlos Rafael Rodriguez, Jorge Risquet, and Division General Abelardo Colome Ibarra, all members of the Communist Party of Cuba [PCC] Politburo. Carlos Aldana, secretary of the PCC Central Committee, was also present.

Foreign Minister Alfonso Van Dunem, Vice Minister of Defense Francisco Magalhaes Paiva, and Secretary for Agricultural Policy Santana Andre Pitra represented Angola at the meeting.

Discuss Southern Africa

LD010517 Lisbon Domestic Service in Portuguese 2100 GMT 31 Jul 87

[Text] The delegations led by the Angolan and Cuban presidents, Jose Eduardo dos Santos and Fidel Castro, have begun official talks in Havana. Bilateral relations and the situation in southern Arica are the main topics of the talks. These talks are taking place following the recent meeting of the Angola-Cuba Joint Committee and the resumption of Angolan-U.S. negotiations on the independence of Namibia and the Cuban military presence in Angola.

Attend Performance

FL011245 Havana Radio Progreso Network in Spanish 1100 GMT 1 Aug 87

[Text] Presidents Fidel Castro and Jose Eudardo dos Santos attended a performance at the Angolan House of Culture last night. The two statesmen enjoyed a show which was representative of the two countries' folklore. The event was organized on the occasion of the Angolan head of state's friendly and working visit and the 13th anniversary of the People's Armed Forces for the Liberation of Angola.

Dos Santos had visited Guanabacoa's municipal museum earlier. He was accompanied by Armando Hart, member of the PCC Politburo and minister of culture, and Pedro Ross Leal, member of the PCC Central Committee.

Issue Communique

FL040127 Havana Television Service in Spanish 0000 GMT 4 Aug 87

[Text] A communique issued as a result of the official talks held between Commander in Chief Fidel Castro and Jose Eduardo dos Santos, chiefs of state of Cuba and Angola, respectively, states that the two presidents agreed on the assessment of the origin and basically positive nature of the general changes taking place on the international scene. They hailed the peace initiatives the Soviet Union is intelligently and firmly promoting for the end of the arms race, the preservation of humankind from nuclear holocaust, and for people's security.

They also said they were pleased with the escalation of the struggle of the popular masses in South Africa against the shameful apartheid regime, the continued combat by the SWAPO [South-West African People's Organization], only and legitimate representaive of the Namibian people, for the increasing unity and cooperation among front-line states, and for the encouraging results of the recently-concluded summit of the OAU in Addis Ababa.

Reviewing the international responsibilities Cuba and Angola share regarding southern Africa and their historic commitment to support the implementation of the UN Security Council's resolution on Namibia's independence, the two parties confirmed their political will to unite efforts aimed at finding a solution that takes into account the legitimate interests of all parties involved and guarantee the territorial integrity and the sovereignty of the People's Republic of Angola.

With that objective, Cuba and Angola also agreed on the willingness of adapting their common position within the framework of the principles of the November, 1984 platform and is supplementary text with the constructive purpose of achieving a fair and honorable agreement that would favor Namibia's independence, Angola's safety, and peace for all southern Africa's states.

President Jose Eduardo dos Santos expressed his appreciation for the warm treatment and fraternal courtesies given to his delegation and extended an invitation to President Fidel Castro to visit the People's Republic of Angola at a convenient time and date for the two sides. The invitation was accepted with satisfaction and gratitude.

Dos Santos Leaves

FL031209 Havana Tele-Rebelde Network in Spanish 1100 GMT 3 Aug 87

[Text] Commander in Chief Fidel Castro Ruz, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, and Army General Raul Castro Ruz, were at the Jose Marti airport to bid farewell to Jose Eduardo Dos Santos, president of the MPLA [Popular Movement for the Liberation of Angola]-Labor Party and of the People's Republic of Angola, who returned to his country after a friendly and working visit at the invitation of Fidel. During his stay, the Angolan president held talks with the head of the revolution and with other members of the Cuban Government and the PCC. The Angolan leader also placed a wreath at the monument honoring our national hero, Jose Marti, on Revolution Square, and visited the House of Angolan Culture, the Guanabacoa museum, and the genetic engineering and biotechnology center.

HAITIAN DEMOCRATIC FRONT CALLS OFF STRIKE

FL011210 Havana Radio Rebelde Network in Spanish 1100 GMT 1 Aug 87

[Text] The Haitian democratic front has decided to call off until further notice a general strike that has been in effect for 2 days yesterday [31 July] demanding the resignation of the current government council. The front's spokesperson explained that the meausure will be implemented for the time being to spare the population from additional suffering but said it could resume next week. The strike, which is the 10th staged since the domestic crisis began in Haiti in late June, was also called to protest the deaths of 10 people last Wednesday who died when the Army attacked protestors.

VICE PRESIDENT RODRIGUEZ DISCUSSES CEMA

FL301920 Havana Tele-Rebelde Network in Spanish 1158 GMT 17 Jul 87

[Interview with Carlos Rafael Rodriguez, member of the Communist Party of Cuba Politburo and vice president of the Councils of State and Ministers, by unidentified Tele-Rebelde reporter; date and place not given -- recorded]

[Text] [Rodriguez] Cuba's relationship with CEMA has had two basic effects. First, our participation in numerous working groups and committees. This has allowed us to come close to issues in which we had not been involved before because we were lagging behind economically. Thus, for the past 15 years, the commissions on the machine building industry, electronic industry, and the like have helped us prepare the grounds for the development we are beginning to experience in these areas.

Moreover, there has been concrete development of Cuba-CEMA relations. I would like to make this clear, because I often realize that there is some confusion: Not everything that occurs within the framework of relations between Cuba and the socialist countries goes through CEMA. Our most important relations are bilateral. For example, all the investments that we are now making with the aid of the Soviet Union -- the Cienfuegos thermonuclear plant, the Cienfuegos refinery, the Punta Gorda plant, the thermonuclear plant -- are all the product of bilateral relations. We could say the same in respect to the GDR, CSSR, Bulgaria, or any of the socialist countries. There is, however, a Cuba-CEMA relationship that we should discuss.

In the first place, this is illustrated by the citrus program. We started this program through our own efforts, without the aid of the socialist countries. We later combined the socialist countries' need for citrus products with Cuba's need for technical assistance in citrus production. We got together and drafted a program approved by CEMA which has been in effect to date. In the area of sugar, we had our own sugar program and our bilateral relations. We also came up with a multilateral program which has been in effect for the past 10 or 15 years on a more efficient basis.

Therefore, in this sense, the CEMA countries are participating in this type of program collectively. There is a plant that has been talked about a great deal but which has not started yet. This is the Camariocas plant. Practically all the technical problems have been solved. We are waiting for the start-up process to begin in the practical activities of the Punta Gorda plant, belonging to the Che Guevara enterprise, which as has been publicly explained, has had some difficulties, some of them are inherent in the start-up of any investment, and others are not due to the start-up but to technical deficiencies which we are resolving with the cooperation of our Soviet comrades. Soviet television has reported on this.

As soon as the Che Guevara plant begins operations, we will be able to start up the Camariocas plant. It has the same capacity as the Che Guevara plant, similar technology, but will profit from the Che Guevara experience in improving all its activities.

CEMA is going through a renewal. There is a renewal of the CEMA structure and working methods. There is a process of intensive discussion in which we have been participating for over 2 years, not only those of us who work permanently within the CEMA but also a group of ministers, vice ministers, technicians who have their own areas of expertise and cooperate with their counterparts in socialist countries to examine the best ways to further develop CEMA.

I believe this will bring great results. It is evident. For instance, when the science and technology program was drafted 2 years ago, and it was established as one of CEMA's collective objectives to increasingly link production and technology and to make progress through technology so as to come as near as possible to capitalist countries and later surpass them. This guarantees a scientific-technological environment that we could not attain on our own. We have to join the great socialist current to get from this current and its scientific-technological prowess a big share of what our country will obtain in science and technology.

The same thing applies in the economic field. For example, the struggle of the Soviet Union and the socialist countries for more quality and quantity in industrial products, a struggle waged collectively in CEMA and in which we also participate. This will benefit us as consumers. Improved technical production capacity of items of various kinds will also have an effect on our investments. Right now there are some investments that we cannot make with socialist assistance because the installed capacity is not sufficient to provide the machinery that we need for our own economic growth in these areas. The progress that is evident through all these collective discussions will undoubtedly have an effect in our future development. Therefore, 15 years ago, when the party and government made the decision -- in which Comrade Fidel participated very directly -- I was assigned to state that we are an integral part of CEMA. There has been a very wide spectrum of events that have made it possible for us to make economic progress.

At the time -- I remember it well -- I also said that in becoming part of the socialist community, we were not rejecting integration with the continent to which we belonged, the Latin American countries. This position is still true. The basic framework for our relations is with the socialist countries. We identify with them politically, we have historical ties forged in the anti-imperialist struggle, in the common effort for world peace and progress, in the common striving for development. But we also have historical ties with Latin America. We have prospects because of geographical proximity. We will try to take advantage of these possibilities. The same way we are happy over the progress made by the socialist countries, a community to which we belong through CEMA, we are also pleased with the beginning of Latin American economic integration, as illustrated by the Brazil, Argentina, and Uruguay agreements. This is just the beginning. It is still at the initial phase of development, but we believe it is important for us.

Therefore, we link this celebration of the 15th anniversary of our participation in CEMA with the historical perspective of increasing ties with Latin America, with the efforts that belonging to the South entails for us, as well as our ties with the South-South, which is also one of the elements through which underdeveloped countries are going to develop. In this connection, our extensive economic relations can be clearly seen. At the heart of them are our relations with the Soviet Union and the socialist countries, and hence our relations with CEMA.

[Reporter] Thank you, doctor, for granting this interview to Tele-Rebelde.

[Rodriguez] Thank you very much, comrade.

PARAGUAYAN 'DEMOCRATIC OPENING' TERMED 'FALLACY'

PA291755 Havana International Service in Spanish 2300 GMT 25 Jul 87

["Our America" commentary read by Norberto Hernandez]

[Text] The veneer of democracy with which Washington has recently tried to cover Alfredo Stroessner's dictatorship in Paraguay reveals that dictatorship's false and weak nature in view of the recent actions of political violence it has carried out.

A few days ago, Paraguayan authorities banned a scheduled opposition meeting in front of the closed Radio Nanduti studio. The repressive forces attacked antidictatorial demonstrators on the streets of Asuncion.

A heavy police cordon stopped the Paraguayan journalists labor union from assembling, even though the union had fulfilled all the requirements of the Justice Ministry for the meeting to be held legally.

As a complement to all those measures, the regime said it did not recognize the journalists' labor union; nevertheless, it allowed a meeting of a parallel journalist's group that barely groups 20 newsmen, all of whom are strongly linked to the dictatorship.

Such decisions prove the fallacy of the so-called democratic opening, which was loudly inaugurated in the country. The purpose of this is to confuse international public opinion about the serious domestic situation.

The truth is that the unconstitutional Paraguayan Law No 294, proclaimed in October 1955, is still valid. This law grants the regime the right to suppress the voice of the opposition in all circumstances.

That law, strongly applauded and supported by the U.S. Department of State at the time, orders legal sanctions against all those, who -- according to what it textually says -- organize armed rebellions against the constitutional power to partially or completely replace the nation's democratic, republican organization with a communist system or any other totalitarian regime. The law also views government violence as a means to repress those who advocate political, economic, or social changes not in accord with the interests of the groups in power.

The sanctions, which include exile, can be applied to all civilians, government officials, and military men, and affect the media and organizations and institutions that organize propaganda or meetings that express dissent regarding the dictatorship. In summary, the regime is trying to impose the most complete silence possible in open violation of the constitutional orders that establish freedom of speech and assembly.

In August 1980, Paraguayan Communist leader Antonio Mairana -- who is currently missing because of the Stroessner regime -- said that Law No 294 harms the exercise of the rights and freedoms proclaimed by the Constitution and violates the Universal Declaration of Human Rights of which Paraguay is a signatory country.

The reality in Paraguay can no longer be disguised under a veneer of democracy, when the brutal, unrestrained government violence is brought out into the open. Therefore, Washington's games to try to change Stroessner regime's image are merely a distorted masquerade.

PANAMANIAN OPPOSITION STRIKE 'NOT SUCCESSFUL'

PA030240 Havana International Service in Spanish 2300 GMT 29 Jul 87

[Commentary by Amalia Sanmartino]

[Text] The fact that over 90 percent of the stores in Panama City were opened show that contrary to what the opposition National Civilianization Crusade has said, the 48-hour strike convoked by the local business sectors was not exactly successful.

The fact the owners of luxurious stores, the banking sector, and some industries agreed to the stoppage does not represent a success. Moreover, it showed the existing disagreements in the Panamanian private sector regarding the antigovernment measures.

Although the Civilianization Crusade tried to expand the strike to the whole country, the workers unions and federations, as well as the Coordinating Board of People's Organizations of Panama, sharply criticized the enterprise stoppage and accused its sponsors of not being concerned with the problems of the needy majorities.

On Tuesday, the last day of strike, thousands of vehicles went through the main avenues of Panama City for several hours while their riders yelled progovernment slogans.

The demonstrators also mentioned the strong anti-Panamanian campaign supported by the U.S. press. We must say that according to official and peoples movement reports, the actions by the National Civilianization Crusade, which heads the antigovernmental plans, are supported by sectors of the U.S. Senate and Government.

The discrediting campaign against the Panamanian authorities is intended to destroy the Torrijos-Carter Treaty, through which Panama will obtain full sovereignty over the Panama Canal and the final withdrawal of the U.S. soldiers from Panama.

However, everything indicates that the Panamanian people are against the Civilianization Crusade -- comprised of rich industrialists and businessmen -- and they demonstrated that that is so in the last 48 hours.

MEXICANS CITED ON CONDITIONS AT U.S. BORDER

PA272354 Havana International Service in Spanish 2300 GMT 24 Jul 87

["Our America" commentary read by Manolo Ortega]

[Text] Recently, when the U.S. Simpson-Rodino immigration law was implemented, many Latin Americans questioned the law that brutally reversed a policy encouraged and maintained many years by consecutive U.S. administrations.

The thousands of men, women, and children who, even now, were pushed by poverty to cross the border in search of better living conditions, suffered the consequences of a policy that took away their countries' economic resources and at the same time offered them the supposed advantages of a society that would soon make them endure the opposite. The mirage of the U.S. showcase especially harms 800,000 Mexican children who live in the border area and suffer, with particular intensity, the contrasts between the Saxon and Latin cultures and between an opulent economy and the daily struggle against poverty. The age range of these 800,000 children is 6 to 14; only 60 percent of them attend school, and the majority live in absolute poverty.

Describing the area's living conditions, two Mexican anthropologists stated that the conditions that affect the youth the most are urban insecurity, the U.S.-linked economy, a strong U.S. cultural penetration that shows an opulent and consumer society, drug traffic, and the illegal migration in search for better working conditions. According to Margarita Nolasco's and Maria Luisa Acevedo's study, the border children live and play in an urban setting with many flooded streets, muddy dirt roads, with no trees and no green areas or public lighting. They noted that in contrast, these same children have the showcase of what is presumably on the other side of the border. They added that, because of the strong cultural penetration, the border residents believe that whatever is American in better, cheaper, more useful, and lasting, while what is Mexican is bad, expensive, useless, and short-lived.

Unfortunately, each day more Mexican children are born, grow, and develop under these circumstances. Within a few years they will look to the other side of the border for better living conditions. The tragic part of this situation is that in their search for these supposed conditions, they run the risk of losing their lives, and if they manage to cross the border, the working conditions will be equally risky because, apart from receiving a much lower salary than a U.S. worker, they will find themselves completely unprotected due to their illegal status. Thus, up to now, no propaganda has been able to demonstrate that the false well-being that is promised can be lasting, but rather that it undermines the border resident's social and cultural roots, exploits them as workers, and later, using a repressive law, pushes them out of the territory.

WATER RATIONING 'RUMOR' DENIED; DROUGHT CONTINUES

FL312335 Havana Radio Rebelde Network in Spanish 1700 GMT 31 Jul 87

[Station commentary]

[Text] In the past few days, rumors have circulated to the effect that the present levels of water consumption in the residential parts of the capital are to be reduced. It is probably for that reason that Radio Rebelde has received many telephone calls from people asking about this. It is urgently necessary for us to state that so far we have not received any official information that would give credit to those rumors. That is enough of an explanation. However, we wish to add a brief note on the subject.

We already know a rumor is something indefinite. In other words, we know it is circulating; we know when it is being circulated, and what the subject is; but we never know its origin. Whenever we ask a rumormonger about the origin of the rumor, the answer will almost invariably be that he does not know, that he heard it said, etc.

For this reason, we must be alert to rumors, because while it is true that at times they could be generated by the misinterpretation of a news report, or even by an erroneous news report, this is not always the case. Very often, the rumor is started because of bad faith or a marked interest in undermining the people's confidence in their revolution.

This time it is the matter of the water, a particularly critical area to all of us. The people know, because they have been informed in detail of the great drought we are experiencing, the most serious one to have occurred in recent decades, and the effort by the people's government to ensure a supply of water by various means.

The people also know that the situation is worsening, and that a commission has been created to examine and program actions considered indispensable for the future.

However, above all, the people know that if some measure were to be adopted in this area, they would be immediately informed precisely and clearly, as has been the practice to date.

For this reason, only one posture can be taken with regard to the rumor: to ignore it or, equally, to meet it with the slap of political rationality, which is the most telling blow.

HAITI

YOUTH ORGANIZATION PROTESTS ARMY COMMUNIQUE

FL032217 Port-au-Prince Domestic Service in Creole 1300 GMT 3 Aug 87

[Text] We have received a note from the National Organization for the Defense of the Young [Organizasyon Nasyonal Defans Lajenes -- Ornadej] in which the members protest the 31 July, 1987 communique from the general headquarters of the Haitian Armed Forces which blames all the bestial acts occurring in Haiti for several days now on certain anonymous sectors. Ornadej says that it forcefully reiterates that it is the military who have committed those acts. Ornadej also condemns the statement made by Secretary of State for Information Pierre Robert Auguste. Finally, it ask all progressive organizations in the country to continue the struggle firmly, until the final victory.

The note is signed, for the Ornadej committee, by (Renan Edovil), president; (Lionel Pamphile), coordinator for Grande Anse; (Azor Fritznel), secretary general; and (Moril Cadet), coordinator for the South.

DEMOCRATIC FRONT SUSPENDS STRIKE; CLIMATE 'TENSE'

PA032011 Madrid EFE in Spanish 1902 GMT 3 Aug 87

[Text] Port-au-Prince, 3 Aug (EFE) -- Normalcy returned to Port-au-Prince today after the "Haitian Democratic Front" suspended a general strike until further notice. However, the climate in Haiti's capital remains tense.

The Democratic Front, which has led most of the uprisings during the past month against the National Government Council (CNG), called for a suspension of the protests following a violent weekend in which at least 3 people were killed in clashes with the army.

The CNG expelled Daniel Narcisse, one of the leaders of the so-called front made up of 57 different organizations, from Haiti when he gave up his Haitian nationality. (He is now a Canadian citizen.)

In addition, EFE has confirmed that spontaneous demonstrations continue to occur in the interior, and clashes with CNG officials are constant.

On 1 August, three people were killed when the army opened fire on a crowd that intercepted a truck carrying the bodies of poor Haitians whose cadavers had accumulated in the morgue. The crowd, alleging that the bodies were victims in recent demonstrations, killed the truck driver and set the vehicle on fire.

Reliable sources later told EFE that the bodies did come from the morgue and that they were actually those of poor people instead of demonstrators.

POLITICAL LEADER ENTERS JEREMIE WITH ARMED MEN

FL032129 Port-au-Prince Radio Metropole in Creole 1600 GMT 3 Aug 87

[Interview with Jeremie Arbitration Court Clerk (Raynold Antoine) by correspondent (Ertho Zamor) in Jeremie on 3 August -- live or recorded]

[Text] [(Zamor)] The town of Jeremie was calm this morning. All activities were resumed in a normal fashion until 1100 when we saw people running around in panic in town. Trucks, full of soldiers from the tactical unit, parked at (o bak) the entrance to the town of Jeremie. No one could come in or out. Weapons were being fired. We could hear a series of big explosions from around (o bak). We met (Raynold Antoine), who is the clerk of the Court of Arbitration in Jeremie. He will tell us what he saw when the military came to take him out to make an official report.

[(Antoine)] I can't judge (?what was going on here), but as far as my profession goes, I can judge what happened in front of me. I can give you a few details on that. Indeed, this morning we opened court. They came to get the Justice of the Peace and the Court Clerk to go out and make an official report. They took us to (je bo) to make an official report. When we arrived there, we saw two or three vehicles full of men. Bernard Sansaricq was there and we saw him standing above (je bo) with a weapon in his hand.

[(Zamor)] Can you describe the vehicles for us?

[(Antoine)] As I told you, there was a Pajero [jeep] -- the Pajero that Sansaricq usually comes here in. There was a double-cab jeep [as heard]. I didn't have time to get the license plate numbers of the vehicles, but I did have time to see the vehicles. And there was still another vehicle beyond the hotel. I was unable to identify that vehicle.

[(Zamor)] Were almost all the men you saw armed?

[(Antoine)] I can report that all of them were armed, which is why all we did was show up. We didn't talk to them because they were shooting. They shot and shot but they did not fire at us.

[(Zamor)] So they were firing only in order to get you to go away?

[(Antoine)] Maybe they were shooting with that intention because they did not fire at us. If they had shot at us, I, without a weapon -- all I had in my hand was a pen -- don't see how I could have appeared before one of them and he could have failed to hit me. But they did fire a lot.

[(Zamor)] They say there is a (?clerk) missing.

[(Antoine)] At first, I did say I didn't see the clerk, but later I heard people had seen the clerk passing in front of the Teleco offices on a motorcycle. But I have not yet seen him myself.

[(Zamor)] In conclusion, can you tell us how many people, more or less, (?you saw)?

[(Antoine)] I didn't have time to count the number of people with Bernard but I did see Bernard standing with lots of people behind him. He had lots of people behind him and all of them were armed. So much so -- there was one man, who had animated the program for (?him) at (Ma Foli) -- he was there too.

[(Zamor)] He was with Bernard too?

[(Antoine)] Yes, he was with Bernard.

[(Zamor)] That was (Raynold Antoine), a clerk at the Court of Arbitration in Jeremie. We cannot confirm what he said because journalists could not get there. There is still much firing both inside and around the town of Jeremie. The streets are deserted at the present time. We are following the situation and will keep you informed.

Jeremie People Panic

FL032205 Port-au-Prince Domestic Service in Creole 1600 GMT 3 Aug 87

[Report from Jeremie by correspondent Luckner Laguerre in Creole -- live]

[Text] There was great panic in the town of Jeremie at around 1100. Reportedly, there were armed civilians in the (je bo) area on the outskirts of Jeremie. According to reports, the leader of a political party from the capital had come to the area with armed men. This caused everyone to run wildly. People were running into each other. The marketplace was abandoned and stores shut down. Truckloads of soldiers in combat gear rushed to the scene at the intersection an the (je bo) area, where, it was said much firing was going on. This is all according to the rumor. The (bak) intersection and (je bo) are occupied by the military. Everyone who was coming into Jeremie is at present blocked on the other side of the portals [marking the entrance to the city] and everyone in town is commenting on the incident.

At around 1130, the military drove through the city and shot a round of bullets into the air. For the time being, people in Jeremie are a little uneasy. Many questions are being asked. In any case, we are following the situation. We went to the military headquarters to see if we could get any information, any details, on this matter but the guards in front of the barracks told us they could not receive us for the time being. So, as we said, we are here and we will give you further details later. It has even been said that the vehicle transporting the armed men entering the city has been seized by the military. For the moment we cannot confirm this. We are here and following the situation. We will get back to you later.

OPPOSITION LEADER LOUIS E. ATHIS KILLED 2 AUG

PA031855 Paris AFP in Spanish 1723 GMT 3 Aug 87

[Text] Port-au-Prince, 3 Aug (AFP) -- Louis Eugene Athis, 46-year-old founder and coordinator general of the Democratic Movement for Haitian Liberation (MODELH) and member of the moderate Democratic Center alliance, was killed on Sunday morning, the private radio station Radio Antilles International reported today.

The death of the politician was confirmed to AFP at the headquarters of his party in Port-au-Prince by Fritz Chancy, cousin of the victim.

The incident occurred in front of the Parque Church, (Leogane community section) as Athis was preparing to attend a political meeting. A group of people armed with machetes, clubs, and rocks attacked the MODELH leader and those accompanying him, charging them with being "communists."

According to the reports, the bodies of Athis and Francois Jean, one of his followers, were immediately set on fire.

The MODELH, founded in May, 1964 in the Dominican Republic, and banned in Haiti during the dictatorship, had become influential in the Haitian community in the Dominican Republic, particularly among sugarcane cutters.

Athis, one of the founders of the Democratic Center, whose members include Louis Dejoie, Marc Bazin, Leslie Manigat, and other leading candidates for the Haitian presidency, was married to Mercedes Blanco, a Dominican, and was the father of 4 children.

Others Also Attacked

FL032236 Port-au-Prince Domestic Service in Creole 1300 GMT 3 Aug 87

[Report from Leogane by Correspondent (Ganz Joseph)]

[Text] We must report that according to (David Philogene), who is a councilman in the (?13th) rural section of the commune of Leogane, Louis Eugene Athis and (Oscar Dorsinvil), members of the Democratic Movement for the Liberation of Haiti, Francois Jean, and (Dominique Mersena), have reportedly been killed. We are informing you that Louis Eugene Athis and (Dominique Dorsinvil) were set on fire. As regards to Francois Jean and (Dominique Mersena), one of them has (?reportedly) been killed and the other one is missing.

This is according to the official report that (David Philogene), who is a councilman in the Leogane commune, brought to the court in Leogane. Of course, we must go to the scene to see what and how this happened. But according to what (Philogene) told us, it looks like the men had gone to the area to hold some kind of meeting with the people of the area but the people declared that they were communists, that they wanted no contact with them, and that is why they committed the crime we are telling you about.

SEPULVEDA MAKES 'SECRET' VISIT TO CUBA

PA011600 Madrid EFE in Spanish 0103 GMT 30 Jul 87

[Text] Mexico City, 29 Jul (EFE) -- Mexican Foreign Secretary Bernardo Sepulveda today confirmed that he traveled to Cuba a few days ago for the basic objective of discussing the Central American situation.

The Mexican foreign secretary's "secret" trip to Havana took place on 18 and 19 July after his meeting with U.S. Assistant Secretary of State for Inter-American Affairs Elliott Abrams.

Bernardo Sepulveda did not specify with whom he met in Cuba, but it is possible that his contacts were at the highest level.

Regarding his meeting with Abrams, Sepulveda said it served to "explore" the Mexican and U.S. Governments' positions regarding the forthcoming "summit" of Central American presidents.

In this regard, the Mexican foreign secretary stressed that he expressed Mexico's interest in holding that "summit," which, he said, should contribute to the negotiations for peace in the region.

On Friday and Saturday, Sepulveda will participate in a meeting of Contadora and Central American foreign ministers that will analyze the peace proposals for the region.

SEPULVEDA ASSERTS U.S. POLICY HAMPERS AREA PEACE

FL301805 Mexico City NOTIMEX in Spanish 2052 GMT 29 Jul 87

[Text] Mexico City, 29 Jul (NOTIMEX) -- Mexican Foreign Secretary Bernardo Sepulveda Amor asserted today that U.S. support for the Nicaraguan contras is a significant obstacle to the Central American peace process. Speaking at a news conference, the foreign secretary noted that all Latin American governments clearly and radically oppose the U.S. position, and this hurts the international legal order.

Sepulveda reported that the members of Contadora will attend the Tegucigalpa meeting of 31 July-1 August as observers. All peace proposals for Central America, including Costa Rican President Oscar Arias' plan, will be discussed at the meeting. Sepulveda explained that the Contadora and Support Groups are interested in having the Central American summit take place in Esquipulas in August.

He stressed it is imperative that the countries involved make reciprocal concessions. Referring to Esquipulas, he expressed concern that the meeting might not be successful. This would mean that the Central American countries would be accused of lacking negotiating power. We want to counter the false idea that the peace agreements are not viable and that the parties will not accept the terms of a legal document, Sepulveda declared. He rejected any preconception that the Esquipulas accords will not be complied with, and he agreed that the object is to guarantee that they will be.

Sepulveda also reported that the terms for the renewal of the San Jose oil agreement will be announced tomorrow, Thursday, during the signing of Mexico-Venezuela agreements at the end of President Jaime Lusinchi's visit.

To a specific question, the Mexican foreign secretary confirmed that he had recently visited Havana where he discussed the Central American peace process.

Sepulveda also cited the state visit that President Miguel de la Madrid will make to Jamaica in the second week of August, on the occasion of the island's 25th independence anniversary. He said that Mexico is very interested in intensifying relations with all Caribbean nations noting that political, trade, and economic agreements will be revised during President de la Madrid's visit to the Dominican Republic.

Sepulveda announced that the Group of Eight -- the Contadora and Support Group's member countries -- will hold a meeting in Brazil on 10-11 August.

SEPULVEDA, CONSALVI DEPART FOR MEETING IN HONDURAS

FL312224 Mexico City NOTIMEX in Spanish 2305 GMT 30 Jul 87

[Text] Mexico City, 30 Jul (NOTIMEX) -- Venezuelan Foreign Minister Alberto Simon Consalvi has warned that the danger of social uprisings in Central and South America is a latent threat because of the economic problems in Latin America, especially the foreign debt.

Consalvi said this just prior to departing for Tegucigalpa, Honduras. He is accompanied by his Mexican counterpart, Bernardo Sepulveda Amor. The two officials will attend the Central American and Contadora foreign ministers meeting, which precedes the Central American presidents meeting.

For his part, Sepulveda Amor said that the Contadora and Support Groups now have a political inheritance of exceptional importance, which has permitted the identification of problems and solutions, which has permitted the identification of problems and solutions. This, he said, will enrich the talks in Tegucigalpa and will establish criteria to achieve political understanding, which hopefully will be reached by the Central American presidents when they meet in Guatemala on 6 and 7 August.

Consalvi added that there is hope of reaching a rational environment among Central Americans that would promote dialogue and negotiation. He reiterated that the presence of the Contadora Group foreign ministers should be seen as a ratification of their best proposals and willingness to contribute to peace in the region.

The Venezuelan foreign minister said the aid to the contras has prejudiced the peace process in the region and he hopes these efforts -- will cease. Consalvi called on all Central American countries and those outside the region to make a joint effort to achieve peace, democracy, pluralism, development, and well-being.

In reference to the foreign debt, he said that the presidents of Mexico and Venezuela support the proposals of the Cartagena Agreement and they will continue efforts among regional countries to promote concrete statements and actions.

For his part, Sepulveda Amor said the visit of Venezuelan President Jaime Lusinchi to Mexico proves that the two countries identify greatly with each other.

The two foreign ministers, who will return to Mexico on Sunday, said the results of the meeting betweeen Lusinchi and Mexican President Miguel de la Madrid were positive and promising in political and economic affairs.

YOUNG 'DISSIDENTS' TAKE OVER PRI OFFICES

FL301456 Mexico City NOTIMEX in Spanish 0515 GMT 30 Jul 87

[Text] Mexico City, 29 Jul (NOTIMEX) — A group of dissident PRI youths headed by Ramiro de la Rosa and Alejandro Rojas Diaz Duran today occupied the main PRI building in demand of a public dialogue with Jorge de la Vega Dominguez, leader of the ruling party. The building, located at Insurgente Centro and Violeta, was taken at approximately 0900, preventing employees inside from continuing with their work.

A group of railway workers went to the building 2 hours later to invite De la Vega Dominguez to its national congress on 17 August. However, the dissident youths barred them from coming in; this led to verbal clashes between the two groups.

Later on, Heriberto Galindo Quinonez, coordinator for political associations of the PRI's National Executive Committee, told the young people that dissent could be expressed within the party but always through channels established by the PRI. Galindo Quinonez also told them that PRI's president was ready to hold a civilized, amiable, and democratic dialogue in private.

The young dissidents finally left the building and then held a small rally on the splanade of the PRI offices to publicize their demands.

DUARTE WILL NOT AID PROPOSED ARIAS-FMLN MEETING

PA311716 San Salvador Radio Cadena YSKL in Spanish 1100 GMT 30 Jul 87

[Text] Foreign Minister Ricardo Acevedo Peralta has stated that Duarte's government will not facilitate the holding of a meeting between the Salvadoran guerrillas and Costa Rican President Oscar Arias in El Salvador. He said the holding of a meeting between the rebels and Arias is completely out of place. He emphasized that it is not timely.

Acevedo Peralta stressed that the guerrillas are utilizing Arias' altrustic feelings for propaganda reasons. The Costa Rican president seeks to help resolve the Central American crisis, he noted. The Salvadoran foreign minister said: If the guerrillas want to meet with Arias, they can go to Costa Rica. But it would be out of place to hold the meeting here.

On Monday, during his tour of Central America, Arias said that he would love to meet with the rebels prior to the 6-7 August presidential summit which will concern Arias' plan for the region.

Meanwhile, the FMLN General Command responded that it is willing to meet anywhere in El Salvador as soon as possible. At this meeting, the guerrillas would explain their views to Arias about the crisis affecting the Central American region, and establish their position regarding their peace plan. Acevedo Peralta emphasized that the guerrillas are taking these actions for propaganda reasons to deceive the Salvadoran people, and that all they want is war.

Arais' peace plan, presented in February, suggests a cease-fire in countries with internal conflicts, an end to the U.S. aid to the contras, and free, democratic, and pluralistic elections.

VENCEREMOS DETAILS FMLN-ARMY CLASHES

PA040047 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 2300 GMT on 30 July broadcasts several military reports on recent actions in various areas of El Salvador.

The first report states that "at 0115 on 28 July, a guerrilla unit ambushed soldiers belonging to the Morazan Battalion in El Guarumal Hill, Sensembra Jurisdiction." The report states that the Army sustained two casualties in the action. A report sent from Cacahuatique states that "at 0930 on 30 July, a guerrilla unit placed a Manuel Jose Arce mine by enemy positions in Isleta, Yamabal Jurisdiction. As a result, the Morazan Battalion sustained one casualty." Another report states that "on 27 July, a guerrilla unit placed mines along the path of the Trueno Battalion, of Military Department No 5, in (?El Zapote), in Suchitoto Jurisdiction, in Cuscatlan," and that one soldier was seriously injured as a result. A final report, sent from Cabanas Department, states that "at 0200 on 30 July, a guerrilla unit attacked the garrison for paramilitary personnel in (Llano La Hacienda), San Isidro Jurisdiction." The guerrilla unit claims to have inflicted 10 casualties, and to have seized 3 rifles, 400 cartridges, and other war materiel. The report adds that the garrison was destroyed during the attack.

ALFONSO CABRERA REPLACES FOREIGN MINISTER QUINONES

PA011540 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 31 Jul 87

[Text] It has been confirmed that President Vinicio Cerezo will appoint Specific Affairs Minister Alfonso Cabrera as the new foreign minister, replacing Mario Quinones Amezquita, who yesterday bade farewell to his coworkers.

URNG ANNOUNCES TRUCE TO SUPPORT SUMMIT

PA030223 Paris AFP in Spanish 1813 GMT 2 Aug 87

[Text] San Jose 2 Aug (AFP) -- The General Command of the URNG, which joins all the Guatemalan guerrilla organizations, has announced a 6-day truce, starting tomorrow, to support the "Esquipulas II Summit" to be held in Guatemala City on 6-7 August.

URNG sources in Guatemala City here have made public a letter sent by the URNG to the Central American presidents about the situation in Guatemala.

The letter says: "You are coming to a country whose people have had to wage one of the longest and harshest struggles and have suffered one of the most ferocious repressions in history."

It adds, however, that "the main plan you will debate during the summit meeting does not mention the situation in Guatemala. This omission detracts from the objectivity and legitimacy of the meeting's agenda, because if our country's situation is not included, the overall framework of the area is sadly incomplete."

The URNG asserts that "Guatemala and its people have been experiencing a dramatic domestic armed struggle for more than two decades. It continues because the objective conditions and the just causes that motivated the struggle have not changed." The URNG says "it has supported and it will continue to support the quest for political solutions through a calm dialogue," but it adds that "we are fully convinced peace is possible only if the permanent aggression (by the U.S. Government) and the threat of a sinister direct intervention cease." The URNG letter states that "we join forces will all the peoples of Central America and the demanding positive results from this summit meeting."

The URNG concludes by announcing a truce "as an expression of respect for the peace efforts that may arise from the meeting you will hold."

DEFENSE MINISTER OUTLINES NATURE OF U.S. 'WAR'

FL031739 Mexico City NOTIMEX in Spanish 0457 GMT 1 Aug 87

[By correspondents Jesus Guevara and Epigmenio Ibarra]

[Text] Managua, 1 Aug (NOTIMEX) -- Nicaraguan Defense Minister General Humberto Ortega has declared that the U.S. Government has an entire military apparatus set up to carry out an intervention in Nicaragua and is only waiting for the right opportunity.

Gen Ortega also said that no military solution is possible in Central America, because the U.S. Army would become definitely bogged down in such an action.

In an exclusive interview with NOTIMEX, Humberto Ortega outlined the nature of the war Nicaragua is facing with the United States, saying this is not a so-called low-intensity war, but a war at a higher level -- which he described as an interventionist war -- in which the United States has managed to create all kinds of conditions favoring direct intervention against Nicaragua.

Ortega said that, in the final analysis, the essence of this interventionist military strategy that has been applied in the past few years will be the large-scale use of U.S. troops, with their full potential, to destroy the Nicaraguan revolution in a military action.

Ever since his administration came to power, U.S. President Ronald Reagan has expressed his determination to destroy the Sandinist revolution, Gen Ortega said, adding: At first, the conditions were not right. Now, the entire military structure that he himself created in Central America has been in place for several months, and is only being given maintenance by means of military exercises, while he awaits the opportunity to launch it against Nicaragua.

He noted that after the Vietnam War, U.S. analysts fortified their studies on low-intensity warfare, but it was not until 1981, when the Sandinist revolution was already 2 years old, that a U.S. Army manual on the subject appeared.

Ortega, a member of the FSLN, added that when one studies the documents, analyses, and public statements made by Caspar Weinberger (U.S. secretary of defense), Jeanne Kirkpatrick (former U.S. ambassador to the United Nations), Henry Kissinger (former U.S. secretary of state), and the various chiefs who have headed the U.S. Southern Command based in Panama, one finds that the conceptual and objective bases of the entire low-intensity war idea is the protection of U.S. allies facing problems.

This low-intensity war manual, Ortega added, was given to the leaders of the U.S. Army to serve as a basis for their doctrine of domination, from the viewpoint of advising, supporting, and protecting allied governments and forces in different parts of the world; in this case, Latin America, the Central American region, and El Salvador in particular.

However, he said, this entire design is directed toward containing -- from the beginning, from the embryonic stage -- insurgent processes that governments allied to the United States are facing as a result of the various economic, social and political factors generating a climate of violence and armed outbreaks of instability, whether guerrilla outbreaks or outbreaks of another kind.

Ortega said that in this regard, the Sandinist revolution triumphed in 1979 when the Americans had not clearly established this idea and did not apply the steps or the designs of the low-intensity war to prevent the fall of the allied government (that of Anastasio Somoza).

Thus, the U.S. military specialists are faced with a phenomenon running contrary to the theory of low-intensity warfare that they had recently developed, because it is not entirely applicable to Nicaragua.

Stating that the low-intensity war theory is implemented by the United States to save an allied regime that is facing problems, but has not yet fallen -- which is not the case in Nicaragua -- Ortega said that in this case the strategy aims, not to contain Sandinism, but to destroy it.

This destruction, he said, can only come as a result of an interventionist war, in which the main objective has been the creation of all the necessary conditions for direct intervention against Nicaragua.

In recent years, Ortega said, the United States has created the material conditions, prepared the military theater of operations, involved its troops, familiarized them with the Central American environment, and accustomed the world, the U.S. people and Latin America in particular, to its increasing presence in the region, specifically in Honduras.

In the wake of the triumph of the Sandinist revolution, the U.S. forces which were basically in the Southern Command to face up to insurgency and the problems that affect U.S. interests, have changed qualitatively and quantitatively, Ortega said. At present, some 150,000 U.S. soldiers have passed through the Central American military theater of operations, and the U.S. has spent millions in intelligence, espionage, and modern communications, among other things.

Thus, he explained, the essence of this military strategy, this interventionist strategy the United States has been developing over the years, in the final analysis consists of the resolute optimum use of U.S. troops, to their full potential, to destroy the Nicaraguan revolution in a military action.

To launch this strategic strike, the United States has been using the counterrevolution as a complementary element, as a manner of creating the necessary political conditions and of wearing down the Nicaraguan defense forces and distracting them from their task of facing up to Washington's direct intervention.

Humberto Ortega said these actions are responsive to [the wishes of] the most reactionary sectors of the U.S. Government, and reflect the basic philosophical and doctrinaire principles of domination, and of [protecting] vital interests of those who continue to consider the Central American and Caribbean region as an area of vital interest to the United States.

Those sectors are keeping alive the imperialist elements of the Monroe Doctrine (the thinking of the founding fathers of the American nation), which in its time constituted a step forward for humanity and for the U.S. people themselves, since it contained religious aspects of the political ideology of that period, which necessarily incorporated elements of the religious ideology, Ortega said. [sentence as received]

At present, Ortega said, the reactionaries of the United States, headed by President Reagan, are returning to those practically fanatical beliefs, invoking the founding fathers of the American nation, in an attempt to apply [llevar] their imperialist political principles and involve the U.S. people -- who greatly respect the origins of the republic, of their nation -- in their imperialist practices.

Therefore, what the United States has really been expressing ever since we Sandinists came to power in Nicaragua, Ortega said, is an interest in recovering the total hegemony, which in this case was lost in 1979.

In this situation, if Nicaragua has had a vital, strategic triumph in these years, it is that we have basically prepared to resist, disorganize, bog down and actively confront a direct U.S. intervention, the defense minister said.

In fact, he said, we have even prepared for the overflow of this direct intervention outside of Nicaraguan territory. We Nicaraguans have prepared for this, and we have organized the people en masse for this: to face up to this interventionist war.

We already have hundreds of thousands of citizens who are basically prepared to respond within a doctrine that is also popular, and if we have prepared in this way, it has been because we are convinced that this is the main danger in the war that we have been facing ever since Reagan came to power.

Therefore, Ortega reiterated, the strategic achievement in Nicaragua's national defense is that we have been defeating the diversionist element, that is, the mercenary war (the counterrevolution), while at the same time building up national defense, and preparing the entire nation psychically, morally, and spiritually and, above all, in the areas of basic military art and science, to face up to the greatest threat that we are facing in this juncture in history, when there might even be a direct intervention by U.S. troops in the coming months.

In this situation, Ortega continued, Reagan is trying to obtain the support of the U.S. Congress, not to save the counterrevolution, but to justify the escalation of intervention that requires political approval, in this case, bipartisan political approval.

Similarly, Ortega said, with the counterrevolutionaries discredited all over the world, the United States itself knows that they do not represent an option of any kind, because they have no real military effect whatsoever, and the U.S. Government will gradually try to shift the problem away from the level of mercenaries and seek a way to promote border conflicts, primarily with Honduras.

If there is a war on the border, provoked by the United States, or a provocation to the south, with Costa Rica, then they (the Americans), will have the entire structure ready and the matter of the mercenaries will be relegated to a secondary level as the United States tries to justify its military presence under the pretext of containing the communist, totalitarian, subversive expanionism of the Sandinists.

However, if the United States finds it very difficult to promote such a border conflict, then, it definitely has all the preparations ready to take advantage of any particular occasion to launch itself directly against Nicaragua.

There are some who, thinking mechanically, say we Sandinists refer to the intervention as a matter of rhetoric, but they do not understand that throughout these years, Reagan has been using diversionism [the counterrevolution] to keep us on the move, wear us down, and disguise his major interventionist process.

Ever since the Reagan administration came to power, Reagan has expressed his determination to destroy the Sandinist revolution, but he had not yet completed the groundwork. Now the military structure has been in place for several months and is now only being maintained, as he awaits the opportunity to use it against Nicaragua, Ortega said.

The proof that we are facing a greater interventionist design, the defense minister said, is that, otherwise, at this point, the Americans would just be creating the conditions for intervening against Nicaragua, but they did not wait to see if the contras would get results. They were not stupid in that respect, and they began the greater process from the moment they turned over the first penny to the counterrevolutionaries.

Humberto Ortega said that as long as the U.S. Administration is not prepared for or politically committed to a search for communication and dialogue to reach a negotiated solution to this conflict, the Central American regional situation will be increasingly complex, difficult, and undefined from various perspectives, because this conflict does not involve only the conflicts between the United States and Nicaragua, but also the situation in El Salvador and Guatemala, which are also facing problems of military insurgency, and in Honduras, where there is a U.S. military presence.

In response to this, Ortega said, we Sandinists maintain an overall strategy of defense and a search for peace through political and diplomatic efforts, basically within the active, consistent and Latin Americanist efforts of the Contadora (Mexico, Colombia, Panama, and Venezuela) and Support (Argentina, Brazil, Peru, and Uruguay) Groups.

He stated that this political position, this feeling of Latin American dignity, continues to be one of the main elements of support for obstructing, warding off, and confronting this interventionist process that President Reagan is currently determined to maintain.

Our plans include training tens of thousands of citizens in the various cities, including Managua, to face up to a direct landing of U.S. troops, Ortega said.

In our capital, we are not going to stage a little show, as occurred in Grenada. Moreover, even if the Sandinists are defeated and an alternative government is set up, which would most likely consist of the contras, the North Americans would not be able to leave and even if the U.S. citizens did not get involved and we were to give the government to those forces, in a week they would not be able to withstand our thrust to oust them, he added.

In this regard, he said, there is no military solution, because the North Americans would not have anyone to put in when they withdraw. Thus they would definitely have to get bogged down in a military intervention, which would cost them tens of thousands of dead or wounded, the Nicaraguan defense minister said in conclusion.

MANAGUA INTERVIEWS PANAMANIAN ON U.S. PRESSURE

PA311820 Managua Radio Sandino in Spanish 1200 GMT 30 Jul 87

[Text] The blow that the United States has attempted to inflict on Panama is also a blow against Contadora, the Panamanian Democratic Revolutionary Party [PRD] has said. The U.S. Government considers Panama the weakest link where it can break the Contadora Group, which opposes a military solution to the Central American conflict.

Those remarks were made by Nils Castro, ranking leader of the PRD and vice president of the Permanent Conference of Latin American Political Parties, COPPPAL.

Ranking officials in the Reagan administration -- including Admiral John Poindexter, who is involved in the Iran-contra scandal; and John Galvin, former chief of the U.S. Southern Command -- have pressured the Panamanian Government to cease participating in the Contadora Group's mediation efforts for Central American peace.

At the beginning of an interview with BARRICADA reporter Pedro Fonesca, PRD leader Nils discussed the solidarity that the Nicaraguan people and government have expressed in the face of the U.S. destabilizing maneuvers against Panama.

[Begin Castro recording] I want to recognize and appreciate the fact that in a very prompt and categorical way, the comrades of the FSLN have opted first for understanding the Panamanian situation and supporting the Torrijists in the fact of this situation. I repeat I want to recognize and appreciate, on behalf of the PRD, this solidarity by the Nicaraguan people and its political vanguard.

[Words indistinct] Commander Daniel Ortega that the blow attempted in Panama is [words indistinct] a blow directed against Contadora, against the Latin American plan of solidarity designed to perfect the independence and self-determination of our countries. It appears that various officials in the Reagan administration, in their efforts to stop the Contadora process, have concluded that Panama is possibly the weakest link through which to break Contadora and this kind of initiative seeking a negotiated political solution to the Central American crisis.

Based on revelations by the U.S. press, this sector of the Reagan administration has made many and varied attempts against Contadora. The U.S. press, for example, has reported on the political, diplomatic, and economic pressures exerted against the Mexican Government, and even the blackmail attempts against the Mexican Government to force it to reduce its very prominent role in the Contadora effort. The U.S. press also reported on the pressures that were exerted on the Argentine Government to attempt to reduce its initially active role in the Contadora Support Group. With a coincidence in dates and subjects, and even in arguments, these actions have also advanced against the Panamanian Government, particularly against the more prominent Torrijist figures who are members of the ruling government coalition.

Likewise, according to reports by the U.S. press, which Washington authorities have not denied, the visit of Vice Admiral Poindexter to Panama at the end of 1985 was designed to demand that the Panamanian Government, particularly President Delvalle and General Manuel Antonio Noriega, reduce its role in the Contadora Group and even that Panama completely withdraw from the Contadora scene to break Contadora. At that time, Poindexter, in the presence of U.S. and Panamanian witnesses, also demanded that Noriega and the Panamanian Government offer their facilities and direct assistance to the Nicaraguan contras. Noriega's refusal in the face of these absurd and immoral demands led, since the beginning of 1986, to the sordid disinformation campaign advanced by the [words indistinct] at the instructions of Vice Admiral Poindexter. They thus deceived many of the most prestigious U.S. media by giving them alleged secret information of the National Security Council, which was fabricated to this effect.

It is interesting to point out that the accusations made against Noriega are without exception the same accusations made approximately 10 years ago against Omar Torrijos. As during the past decade, these accusations lacked proof and evidence of any kind to substantiate them. However, this was used in the following months and up to the present to tenaciously continue that sordid campaign designed to denigrate, discredit, isolate, and eventually eliminate not only Noriega, but the Torrijist officials and most the prominent Torrijist leaders in the civilian sector -- against whom there has also been [words indistinct] campaign and of discredit, particularly through the right-wing press (?in Panama). This has sought to weaken the Torrijist circles -- both military and civilian -- with a view toward preparing conditions for a campaign designed to eliminate them politically, to be able to use Panama as a horse of Troy against Contadora, to destroy it as the weak link in Contadora, and to be able to manipulate the government and use Panamanian territory to benefit Reagan's counterrevolutionary plan in Central America.

In addition to the requirements set forth by Vice Admiral Poindexter, there was later another kind of requirement made through other U.S. military sectors. In effect, General John Galvin, who at the time was chief of the U.S. Southern Command and is now the commander in chief of NATO's forces in Europe, insisted that the United States would turn over the civil administration of the Panama Canal 10 years ahead of schedule, in 1990, in exchange for Panama's acceptance that the U.S. bases in the canal area can be maintained by our country for 25 years more than agreed, until the year 2025. General Noriega, civilian Torrijist leaders, and patriotic leaders that are not part of the Torrijist circles opposed this proposal. [end recording]

DEMOCRATIC REVOLUTIONARY PARTY STATEMENT ON CRISIS

PA291554 Panama City LA ESTRELLA DE PANAMA in Spanish 25 Jul 87 p A5

[Statement issued by the front of professionals of the Democratic Revolutionary Party (PRD) in Panama City on 1 July; passages within slantlines published in boldface]

[Text] /INTRODUCTION/

It has become evident for the professionals who are members of the Democratic Revolutionary Party [PRD], that the enemies of Panama in the United States are not interested in the welfare of our people or in their truly democratic and nationalist aspirations. Panama's nonalignment with the warmongering policy in Central America, the reiterated demands for respect for the Torrijos-Carter Treaties, and the removal of the capitulating sectors from political power represent the real reasons for the support given by the U.S. conservative sectors to such a shameful resolution [the U.S. Senate resolution].

This interventionist attitude is not surprising or fortuitous. Quite the contrary, it is part of an ill-fated tradition in U.S. relations with Panama, the causes of which can be traced to the middle of the last century. Relations deteriorated repeatedly from the moment our people began to walk the path of definite liberation under the leadership of General Omar Torrijos Herrera.

However, the analysis of the situation must go further than the appropriate and deep emotions of rejection of the U.S. Senate's meddling resolution. It is important for us to differentiate between conspiracy from within and conspiracy without, from overseas; between the yearnings for power from the most right-wing and economically powerful groups of Panama, and the growing discontent of important segments of our people, which these groups have sought to exploit for their selfish purposes. All our efforts; all our patriotic, nationalistic, and Torrijist energies will be brought to bear against intervention, against conspiracy, and against sedition; maintaining our willingness to fight to the very end at all costs. At the same time, as consistent Torrijists, we feel there is a need to consider realistically and self-critically a series of situations that demand a rectification of our political conduct. These should become our party's strategic objectives as quickly as possible.

/II [Number as published] RECTIFICATION: OUR MOST IMPORTANT RESPONSIBILITY./ [subhead]

/1. THE CRISIS WE ARE UNDERGOING DEMANDS DEEP REFLECTION./

The serious political crisis the country is undergoing should provide a reason for a calm and deep reflection by all Panamanians. There is no doubt that the immediate source of this crisis can be found within the conspiratorial yearnings of a vengeful minority who are anxious for power. There is also no doubt these yearnings have found encouragement and support from ultraconservative groups within the U.S. Government, which is interested in our country joining the U.S. warmongering policy in Central America and in gaining the right to keep foreign military bases in our territory beyond the year 2000. /HOWEVER, THESE FACTORS ARE NOT SUFFICIENT TO EXPLAIN OR TO AVOID SUCH SERIOUS AND PAINFUL EVENTS AS THOSE WE HAVE SEEN./

The fact cannot be hidden that the conspiracy knew how to recognize for its own antinational ends the discontent and frustration of a broad sector of our society. [paragraph continues]

These sectors -- especially the middle class, organized labor, and fellow countrymen who live in poverty and neglect without hope in sight -- took advantage of the situation to express their rejection of the deviation and deformations that the liberation process has been experiencing.

/2. THE LEADERSHIP THE COUNTRY NEEDS/

/TO RECOGNIZE THESE FACTS DOES NOT MEAN UNDER ANY CIRCUMSTANCES TO AGREE WITH THE ANTINATIONAL YEARNINGS OF THE CONSPIRATORS INSIDE AND OUTSIDE OUR FATHERLAND./ Quite the contrary, to recognize these facts is an essential starting point for the process of national self-criticism to serve to rebuild on a firm and sincere basis the unity that demands the solution of serious social, economic, and political problems that have characterized the country during the eighties.

One of these problems, perhaps the most serious in the short-run is the one reflected in the leadership crisis affecting all sectors of Panamanian society at all levels. From this leadership crisis stems the growing risk that any social or political protest can turn into violent and anarchic demonstrations, which we have all witnessed, or have even become direct or indirect victims of, for the exclusive benefit of the enemies of our fatherland. /HOWEVER, THIS LEADERSHIP CRISIS IS THE MAIN CAUSE OF THE PROBLEMS THAT HAVE MADE THIS CRISIS CONTINUE WITHOUT SOLUTION,/ with the country continuing in this climate of division and instability that endangers the historical goals that define our nationality.

3. /OMAR'S EXAMPLE/ [subhead]

Analyzing our past, and based on General Omar Torrijos Herrera's recent example, we can assert that the country needs a leader who is defined by his ability to convince the people that the country's majorities must directly and responsibly participate in the discussion and solution of the problems that prevail in Panama.

/ALL PANAMANIANS MUST UNDOUBTEDLY PARTICIPATE IN THE SEARCH AND DEVELOPMENT OF THIS LEADERSHIP IN ALL SECTORS AND AT EVERY LEVEL OF OUR SOCIETY./ However, there is also no doubt that such a task must be carried out in the peaceful and friendly way that the country demands. /EACH PANAMANIAN'S QUOTA OF RESPONSIBILITY MUST BE DETERMINED BY THE QUOTA OF ECONOMIC, RELIGIOUS, SOCIAL, MILITARY, OR POLITICAL POWER THAT BOTH HE AND THE GROUP TO WHICH HE BELONGS HAVE, ABOVE AND BEYOND THE LIMITS WHICH PREVAIL BETWEEN THE GOVERNMENT AND THE OPPOSITION [as published]/.

4. /THE NATIONAL UNITY THAT WE WANT/ [subhead]

The challenge defining the effectiveness of the leadership we mention is the achievement of a social agreement between all the fundamental sectors in the nation. The agreement must be based on the recognition of a well-defined group of problems that currently preclude the achievement of each of these sectors' legitimate interests and goals. Therefore, it is a matter of creating a unity that represents the general interests of the nation and is, consequently, capable of successfully countering and isolating the external and internal factors that might oppose those general interests.

Social power will be just as important as political and economic power in the task that we mention. The social power is found, in a significant measure, in the middle class of professionals and technicians, /WHO HAVE EXPERIENCED AN IMPRESSIVE DEVELOPMENT IN OUR COUNTRY SINCE GENERAL OMAR TORRIJOS APTLY RECOGNIZED THAT THEY REPRESENT A DECISIVE FACTOR IN OUR NATION AND GAVE THEM A LEADING ROLE IN THE TALK OF BUILDING A NEW, JUST, PROSPEROUS, AND SOVEREIGN HOMELAND./

The fact that this middle class has joined the protests against the situation prevailing in the country, and that some of its sectors have momentarily relinquished their political responsibilities to shady representatives who are alien to their real interest, /IS ONE OF THE MOST CLEAR INDICATORS OF THE SERIOUSNESS OF THE SITUATION WE ARE CURRENTLY EXPERIENCING./ Consequently, this clearly proves the urgent need to implement the rectifications that the situation demands.

5. /REASSERTION WITHOUT REVENGE/

Various organized social sectors have raised their voices during our current crisis to demand the solution of what they consider fundamental problems, and an effective participation in the solution of these problems. Those voices must not be disregarded within the reflection process that lies ahead of us. None of these sectors demand revenge. Quite the contrary, they are willing to share responsibilities based on a true respect for the goals and views of those who demand a rectification of the current situation, with the intention of reasserting the Torrijist essence of our national liberation process.

/GIVEN THE SITUATION, IT IS EVIDENT THAT THE DEMAND FOR A TORRIJIST REASSERTION WITHOUT HESITATION MUST, IN TURN, BECOME THE INITIATIVE FOR A POLITICAL RECTIFICATION THAT ALLOWS US ALL TO MARCH TOWARD THE FUTURE/

The initiatives must include attention to problems such as the following:

(1) Handling the foreign debt without sacrificing the country's development needs;

(2) Full respect for the social rights of all sectors in the nation;

(a) Beginning with the organized workers;

(b) The guarantees of stability demanded by public employees as a condition to assume their responsibilities within the state organizations' activities;

(c) The need to find solutions to the social security system's problems, without demanding additional sacrifices with the most needy sectors of our society.

(d) The need for a more efficient use of public and private funds for production purposes, particularly in rural areas, giving the national production sector the protection and encouragement necessary for it to function adequately in a world in crisis. [numbering, lettering, punctuation in last six grafs as published]

The list could be even longer, /BUT WE WOULD LIKE TO REFER PARTICULARLY TO ALL THE ACTIONS THAT MUST BE TAKEN TO GUARANTEE THE FULFILLMENT OF THE TORRIJOS-CARTER TREATIES./ In this process of decolonization, the best guarantee that the canal and all of its installations of administration, operation, and defense will revert to Panama in the time and manner agreed upon is that we be capable of making the most adequate and efficient use possible of the land and property that have already reverted to the national sovereignty. Undoubtedly, this is a basic strategy which -- aside from any violation or disagreement that is produced concerning the treaties -- /HAS BEEN DELAYED IN THE FIRST PLACE BECAUSE OF OUR OWN INABILITY TO REACH THE AGREEMENTS AND TO HAVE THE WILLINGNESS SUCH A TASK REQUIRES./

6. /THE TASK IS A GREAT ONE: LET US BEGIN NOW./

The front of professionals of the PRD, a basic organization of participation of the middle classes in the task of liberation begun by General Omar Torrijos, /PRESENTS THESE THOUGHTS TO THE COUNTRY NOT ONLY AS AN EXPRESSION OF ITS THOUGHT, BUT AS A STATEMENT OF ITS COMMITMENT TO PARTICIPATE IN THE SOLUTION OF THE PROBLEMS THAT WE HAVE RAISED./ In so doing, we are aware of the Torrijist line of our members and of our party, incorporating our voice, our capabilities, and our patriotism to those of all the national sectors voicing their support to our Torrijist rectification /THAT WILL RECTIFY THE DEVIATIONS OF THE PAST AND MOVE THE ENTIRE NATION ON THE ROUTE TOWARD THE GOALS OF LIBERATION AWAITING AT THE BEGINNING OF THE 21ST CENTURY. SOMETHING THAT IS EVIDENT AS A RESULT OF THE CRISIS THAT WE HAVE ENDURED IS THAT THESE GOALS OF NATIONAL LIBERATION WILL ONLY BE REACHED IF THEY NOW FIND SUPPORT IN A NATIONAL UNITY BUILT ON THE BASES OF SOCIAL JUSTICE, DEMOCRATIC PARTICIPATION, POLITICAL PLURALISM, AND AN AUTHENTIC OVERALL ECONOMIC DEVELOPMENT OF ALL RESOURCES OF THE NATION FOR THE BENEFIT OF ITS CITIZENS AND ITS FUTURE CITIZENS./

It is in this spirit of struggle that our front presents today to the party -- and through it to all truly honest and patriotic Panamanians -- a group of measures of rectification that are evidently needed to guarantee the march of our people toward the year 2000.

III. /THE RECTIFICATIONS THE COUNTRY DEMANDS./ [subhead]

For the professionals of the PRD it is a fact that it will only be possible to defeat the internal and external enemies of our national liberation process with policy initiatives supported with the consultation and participation of the broadest national majorities. THEREFORE, FIRST OF ALL, WE DEMAND A GREATER INCORPORATION OF ALL SECTORS, AT ALL LEVELS -- OF THE PARTY AND OF SOCIETY -- IN THE DISCUSSIONS OF THE GREAT NATIONAL PROBLEMS/, in defining the required solutions, and in carrying them out. Therefore, we are opposed to the elite groups, to the little groups of very gifted persons, and to the marvelous geniuses.

/WE WANT TO LISTEN AND TO BE LISTENED TO, BECAUSE THAT IS THE TRUE DEMOCRACY THAT OMAR TAUGHT US./ We have shown we can make contributions, we want to make contributions, create, join our efforts so the fatherland will flourish in an independent and sovereign way.

/THEREFORE, WE FEEL THAT:/

1. It is urgent and necessary to retake and activate the structure of people's power, which is the root of Torrijism's strength. That is where we must return to gather our strength. /THE TRUE DEMOCRACY THAT OPPOSES THE APPARENT DEMOCRACY WHICH THE U.S. SENATE WANTS TO IMPOSE ON US STEMS FROM PEOPLE'S POWER./

2. It is necessary to guarantee the fulfillment of the Torrijos-Carter Treaties by providing our country with the Corporation for the Development and Improvement of the Canal Area [Corporacion para el Desarrollo y Aprovechamiento del Area Canalera], as proposed by our front. This proposal seeks precisely to make good use and to develop the reverted areas /TO SOLVE THE PROBLEMS OF UNEMPLOYMENT, POVERTY, GROWTH, AND DEVELOPMENT OF OUR PEOPLE./ We seek to offer all support to the government, so that -- together with our people -- we will achieve the Americans' fulfillment of the treaties, because we are sure they will not do this of their own free will. That is why we are demanding before you today that our project be approved in the Cabinet Council and be presented to the Honorable Legislative Assembly on 7 September in honor of the 10th anniversary of the Torrijos-Carter Treaties. From this stand, we wish to state we will wage all necessary battles until we see our hopes fulfilled. /THIS PROPOSAL ARISES FROM AND IS NOURISHED BY TORRIJISM, AND IN IT WE WILL FIND THE ENERGY THAT WILL ENLIGHTEN OUR VICTORY./

3. The time has come to confront the problem of the foreign debt with a firm political decision and to put an end to the technocratic answers far removed from the real situation of our people, which /THREATEN TO LEAD US TO DISASTER. IN THIS REGARD, IT IS NECESSARY TO SEEK JOINT ANSWERS WITH OTHER LATIN AMERICAN/ and Third World countries confronting similar situations. As part of these answers, it must be demanded from those who have principally benefited from the service of the debt, to share in the cost of the problem and to stop placing all the costs on our people. /PANAMA CANNOT REMAIN DISASSOCIATED FROM THE CONCERTED EFFORTS OF ALL DEBTOR COUNTRIES, TO THE EXCLUSIVE BENEFIT OF EVERYBODY'S CREDITORS./ [sentence as published]

4. Concerning domestic economic policy, it is imperative to reorient and accelerate the progress of economic development. /THE TIME HAS COME FOR MIDDLE CLASS PROFESSIONALS, TECHNICIANS, PUBLIC EMPLOYEES, SALARY EARNERS, AND WORKERS NOT TO BE MADE TO CARRY THE FULL BURDEN THE DEVELOPMENT PROCESS DEMANDS./

Attention to the needs of the small and medium producers in the agriculture, cattle, and industrial fields demands a reconsideration of the three-in-on laws of March 1986. The middle sectors demand the revision of the unpopular Law 20 on financial companies. All here present, and those who are absent, demand a review of the planned reforms to the Social Security Law.

5. It is necessary to give a clear and firm response to the people's demand for an educational process committed to the developmental needs of the country and the welfare of our countrymen. That response must necessarily be based on a broad popular consultation, which excludes the meaneuvers of politicking groups interested in the prolongation of the current chaos, /FOR THEIR OWN BENEFIT./

6. To us, Torrijista professionals, economic development cannot take place in the absence of political development, because one complements the other. True political development begins, as Omar Torrijos Herrera taught us, with a search for true leaders. [paragraph continues]

/WE BELIEVE IT IS NECESSARY TO DEFINE THE STRUCTURES OF FORMATION AND SELECTION OF OUR LEADERSHIP./ We believe in a true process of generation of leaders and we believe in the proportionality of forces and spaces [as publishd]. /WE REJECT IMPOSITIONS AND PLASTIC LEADERS. LEADERS ARE MADE AND TEMPERED IN THE EVERYDAY STRUGGLES./ They are not manufactured in air-conditioned rooms or in prestigious universities. True leaders are with the people and fight for the people.

7. The party's experience indicates the need for the next regular congress to regulate the power of appointment so the party has the last word in the control of the party's assembly seats.

8. The PRD professionals firmly believe the party should outline a 1988-89 government plan that should be discussed on 12 December 1987, as and homage to the heroic deeds of December 1947, when the Panamanian people rejected the Filos-Hines Agreement. /SIMILARLY, THE PRD MUST ALREADY NOW BEGIN PREPARING THE 1989-94 GOVERNMENT PLAN, WHICH SHOULD BE RELEASED IN DECEMBER 1988./

9. We demand the party's court of honor functions on a permanent basis, as a genuine instrument guaranteeing discipline and respect within the party's ranks and file.

By making those statements, the PRD professionals /ARE ACTING WITH THE POLITICAL RESPONSIBILITY THAT OUR PEOPLE AND PARTY RIGHTFULLY EXPECT FROM US. WITH THAT VERY RESPONSIBILITY -- AS OF TODAY -- WE COMMIT ALL OUR EFFORTS, CAPACITY, AND EXPERIENCE TO CONDUCT -- ALONG WITH THE OTHER PARTY SECTORS AND OUR NATIONAL DIRECTORATE -- THE NECESSARY RECTIFICATIONS TO TURN OUR NATIONAL LIBERATION PROCESS INTO THE GLORIOUS FACT OF WHICH OMAR TORRIJOS DREAMED.

[Signed] /PRD PROFESSIONALS FRONT./

[Dated] Panama, 1 July 1987

BRIEFS

NEW ECUADORAN ENVOY -- Franklin Verduga Velez, the new Ecuadoran ambassador to Panama, has presented his credentials to Panamanian President Eric Arturo Delvalle in the presence of Foreign Minister Jorge Abadia Arias. The new ambassador is an attorney. [Excerpts] [Panama City LA ESTRELLA DE PANAMA in Spanish 30 Jul 87 p B1 PA]

ALFONSIN ON DEBT, MODIFICATIONS TO CONSTITUTION

PY032257 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1740 GMT 1 Aug 87

[Excerpt] Alberti, Buenos Aires Province, 1 Aug (NA) -- President Raul Alfonsin today urged the Argentine people to work for the progress of the country "with enthusiasm and without demagoguery." He said he opposed the idea of Economy Minister Juan Sourrouille announcing a new package after the elections on 6 September. "This," he said, "would have been to fool the people."

Regarding the foreign debt, Alfonsin said "We are on the right path because we have obtained a moratorium and we will not pay the capital. Nonetheless, we must continue to struggle to substantially reduce and freeze interest rates. Alfonsin also denounced the existance of "groups of lawyers," who specialize in filing lawsuits against the state. He pointed out that 23,000 lawsuits for financial matters have been filed against the Central Bank alone. He said "the number of lawsuits filed against the state totals 230,000, and it must be recalled that just 1,000 lawsuits represents more than 20 billion australs."

In a speech delivered at the main square of Alberti -- a town which is celebrating its 110th anniversary -- Alfonsin emphasized that to file lawsuits against the state is becoming a "national sport." In another part of his 40-minute speech, the president said that to declare a unilateral moratorium "would be to condemn a great number of Argentine industries to extinction, and would have created mass unemployment." He also urged the people to "denounce and fight, on all international forums, the burden which indebtedness represents to the developing countries."

Alfonsin reaffirmed the necessity of reforming the Constitution "by renewing several of its aspects so the power of the president is reduced, but without contradicting the principles of the 1835 Constitution."

If the Constitution is thus modified, the president will be the one who serves the people, instead of being the one who merely gives orders." The Constitution should also be modified in order "to prevent coups d'etat, so when the political and social scenario suffers changes, the inflexibility of the Constitution does not lead many to violently overturn the republican institutions," Alfonsin said. He added that "it will be necessary to establish some clauses that allow Congress to legislate through its commissions, and to determine the need of opposing Executive Branch decrees."

In his speech, Alfonsin commented on several hot topics related to the economic plan. Referring to criticism that accuse him of failing to present solutions to certain problems, he emphasized that the problems are known to all, "but no Argentine ever offers suggestions on how to solve them." [passage omitted]

ALFONSIN DELIVERS SPEECH AT STOCK EXCHANGE

PY291522 Buenos Aires TELAM in Spanish 0156 GMT 29 Jul 87

[Excerpt] Buenos Aires, 28 Jul (TELAM) -- President Raul Alfonsin said: We have an economy minister who, God willing, will accompany me throughout my administration. Alfonsin also lauded Labor Minister Carlos Alderate who, despite the fact he belongs to another party, has fulfilled his duty to serve all the people. Alfonsin made these comments tonight after delivering a speech at the Buenos Aires Stock Exchange. This is the 133d anniversary of the exchange.

The Buenos Aires Stock Exchange president, Juan Pena, also spoke during the ceremony. Among others present at the ceremony were Economy Minister Sourrouille, Labor Minister Alderete, Finance Secretary Mario Brodersohn, Senator Juan Trilla, General Directorate of Taxation (DGI) head, Marcelo da Corte, Public Enterprises Directorate head, Enrigue Olivera, and Jose Severo Caballero, the president of the Supreme Court of Justice.

After reading his speech, in which he confirmed the economic measures announced last week, President Alfonsin said that when the people talk about his administration, they will be able to say that under the difficult circumstances the president had to face, (Sourrouille) guided the economy without bowing to any sector. He simply worked for the general welfare, something that sometimes caused him problems. Alfonsin added that the president of the Republic, during such a difficult time, had a labor minister who came from another party and fulfilled his duty to serve everyone. Alfonsin also said the presence of the economy and labor ministers at the ceremony symbolized the people who should always be present at the Stock Exchange. [passage omitted]

ARMY'S CARIDI VIEWS MEDIA, MILITARY ISSUES

PY040117 Buenos Aires Domestic Service in Spanish 1600 GMT 3 Aug 87

[Text] General Jose Caridi, Army chief of staff, today warned that attacks against the Army through the state-run mass media must come to an end. He expressed his support for the hierarchical chain of command by saying: I will channel my concern through Defense Minister Jaunarena and through him I will contact President Alfonsin.

In statements published by the newspaper AMBITO FINANCIERO under the title, "An informal dialogue with Caridi," the Army chief of staff also ruled out the possibility that middlemen may intervene in his dialogue with his superiors. He said the Army will not relinquish the political advances attained in the Holy Week crisis. Caridi added that he wanted society as a whole to understand this. We are determined to defend some principles. You do the same, he said.

Caridi expressed his confidence in the democratic system and its political alternatives, adding that this does not include Marxism, because Marxism does not allow alternatives. Either as the chief of staff or as normal citizen I will always oppose this ideology, he said. Caridi also warned: I will not allow any manipulation of the captains, alluding to the captains who were studying at the advanced military school and who participated in the Holy Week events. In this regard, he said the sanction he will impose on those officers will be the loss of their yearly courses.

He explained that if the officers were ordered arrested, the regulations would force them to withdraw from their studies. I have already talked with them and they understand this, he said.

Caridi explained that he spoke with former Lieutenant Colonel Aldo Rico, who directed part of the Holy Week insurrection. In fact, Caridi said he talked with Rico at least once after learning that public sectors could voice support for a rebel leader on 9 July [Argentine Independence Day]. Caridi said he warned Rico that his friends should behave.

Concerning the insurrection, Caridi said there will be several types of sanctions, according to the military rank of those involved. Caridi remarked that Enrique Venturino, who was Rico's second in command during the insurrection, has a specific rank, while commanders have another, captains and subordinate officers another, and noncommissioned officers a much lower one.

In his remarks to AMBITO FINANCIERO, Caridi referred to the recent replacement of General Fausto Gonzalez, who was his second in command. He said the decision to replace him was made because he did not agree with Gonzalez' viewpoints. In the Army this is impossible because I am the chief, he said. He explained that when he replaced Gonzalez some troops were confined to barracks because the Army was not expected to remain inactive, stressing that discipline will be restored. [sentence as heard]

Caridi admitted he was informed about the possibility of civilians seizing a military barracks in Neuquen Province. I passed the warning on and ordered the troops to open fire if necessary. I will send any commander whose unit is seized to the firing squad. I simultaneously ordered the border police to help if necessary, he said.

Caridi concluded by saying he will not behead anyone for the Holy Week incidents. He said a couple of men came and talked to him about the Campo de Mayo rebellion before it occurred and that many of those who were involved have been assigned to the Army General Staff.

Clarifies Remarks on Media

PY040307 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1730 GMT 3 Aug 87

[Text] Buenos Aires, 3 Aug (NA) -- Army Chief of Staff General Jose Caridi today urged journalists to "change their attitude" when reporting on Armed Forces news to facilitate a "national understanding."

In this manner, Caridi responded to a question regarding declarations he allegedly made saying the Armed Forces "are being attacked" by the government controlled media. "We should change the subject," the Army chief said. "We acknowledge some things and journalists should acknowledge that media opposition to the Armed Forces caused problems some years ago. This issue must stop being a problem because otherwise we will never attain a national understanding."

Caridi made these statements this afternoon shortly before entering the Argentine Rural Society dining hall, where he lunched with Guillermo Alchourron, Argentine Rural Society president; Defense Minister Horacio Jaunarena; Navy Chief of Staff Vice Admiral Ramon Arosa; and Air Force Chief of Staff Brigadier Ernesto Crespo. Caridi added he "did not mean" all the media is responsible for a "permanent campaign" against the Armed Forces. He said: "I did not say all the media, only some. I did not say government-controlled media. If I said that, I did not mean it."

MINISTRY DENIES SELLING PLANES TO NICARAGUA

PY032223 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2102 GMT 3 Aug 87

[Text] Buenos Aires, 3 Aug (NA) -- The Argentine Defense Ministry this afternoon denied conducting negotiations to sell Argentine-made airplanes to the Sandinist Government of Nicaragua, as reported recently in Managua.

The Defense Ministry reported that "the government's policy firmly supports the negotiations that seek a peaceful solution to the Central American problem. This policy has remained unchanged since 10 December 1983."

International news agencies have reported in Managua that Nicaraguan Defense Minister General Humberto Ortega said Argentina "could possibly supply interception and fighter planes to the Sandinist Armed Forces during the next few months." Ortega was specifically referring to the Sandinist Army's need for interception planes to face the increasing attacks by contra planes and helicopters which are based in Honduras.

"Regarding local newspaper reports datelined Managua, the Argentine Defense Ministry stated there are no negotiations for the sale of Argentine planes to the Nicaraguan Government," this was stated by the Defense Ministry.

AGRICULTURE SECRETARY PROTESTS U.S. WHEAT OFFER

PY310351 Buenos Aires Domestic Service in Spanish 0200 GMT 31 Jul 87

[Text] Argentina has protested an offer by the United States to sell Colombia and Brazil 300,000 tons of subsidized wheat.

This is stated in a communique issued by Agriculture, Livestock, and Fishing Secretary Ernesto Figueras upon learning of the announcement made by the U.S. under secretary of agriculture.

The U.S. subsidies to agricultural sales are part of a program to promote exports and give U.S. producers an opportunity to export under conditions that are competitive with current prices. In this regard, Figueras said our country maintains its firm position, opposing agricultural subsidies, which are the main cause of distortion on the international markets.

MILITARY COMMANDERS VIEW POLITICAL ISSUES

PY032122 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 87 p 7

[Excerpt] Armed Forces Chief of Staff General Paulo Campos Paiva condemned the radicalism of organizations that claim to represent Brazilian society, "but do in fact disregard its moderate nature and its aspiration of achieving social justice in a peaceful fashion." Speaking exclusively to O ESTADO, Gen Campos Paiva said "neither the Sole Central Organization of Workers [CUT] nor the Democratic Ruralist Union [UDR] represent the moderate nature of the Brazilian people, but they can coexist with the democratic process, provided they respect the law and the institutional order."

The general said he has confidence in Brazil's capacity to overcome its serious economic problems, but he expressed concern over "current stability." He then pointed out an exception: "Brazil's great potentials and its economic policy are important, but above all, it is necessary to place the national interest on a priority plan." [passage omitted]

Gen Campos Paiva said he has never accepted the radical left or the radical right, and in the beginning of his military career, as officer of the Brazilian Expeditionary Force that fought during World War II, he fought against the right as portrayed by Nazi-Fascism. He admitted that many who did not support the 1964 revolution "today try to guarantee stability, while those who participated in it view the democratic process, which allows the improvement of the regime and the preparation of a new Constitution, as natural."

Military sectors predict August could be a "hot" month, with new demonstrations promoted by union organizations, strikes staged by the CUT, and possible attempts to influence the Army as an institution.

Public demonstrations have received closer attention since the June attack on President Sarney in Rio de Janeiro, and specifically after the street riots on 30 June. Since these street riots, the news media have followed the demonstrations of union organizations in a more systematic manner. Thus, they have followed more closely the CUT rally in Rio de Janeiro, the demonstrations for direct elections in Sao Paulo, and the UDR rally in Brasilia. [passage omitted]

In statements to O ESTADO, Navy Minister Admiral Henrique Saboia analyzed the Brazilian situation. He said "the national interest should come first," stressing "our most pressing need is the consolidation of democracy, and the attainment of this objective calls for a contribution from everyone, even with sacrifice if necessary." [passage omitted]

On 25 August, Minister Saboia will salute the Army on behalf of the Navy and the Air Force during the Soldier's Day celebration in Brasilia. He is expected to emphasize the cohesion within the Armed Forces and the fact that the three services are identified with the democratic process. For his part, Army Minister General Leonidas Pires Goncalves will focus on the professional objectives of the Army. His speech is expected to carry considerable political weight. [passage omitted]

Gen Pires speaks enthusiastically about the major objective of the Army, its professionalization, and refers to the Army as "an institution which is aware of the significance of the historical moment," understands the current difficulties, and is aware of its constitutional duties. Gen Pires has emphasized these subjects in his lectures to high-ranking officers. His most recent lecture was delivered in Brasilia, where he addressed the Planalto Military Command officers.

He said he deliberately avoids issuing statements that could fuel supposed conflicts, particularly of a political nature. Thus, at times he prefers to adopt an attitude he calls "recess," so his words are not mistaken for an attempt to pressure any given sector.

However, the decision to maintain the Army as an apolitical, professional institution, "dedicated to its constitutional duties," does not mean Gen Pires is not trying to clearly establish the position of his institution. That is why he ordered the preparation of a document listing the Army proposals for the next constitution. [passage omitted]

From a political viewpoint, the Armed Forces consider the left too noisy, and "there are good reasons to have confidence in the silent majority, which can also compel Congress to support those principles that reflect the real aspirations of the Brazilian people." [passage omitted]

FINANCE MINISTER BRESSER PEREIRA ON ECONOMY

Comments on Public Deficit

PY310236 Brasilia Domestic Service in Portuguese 2200 GMT 30 Jul 87

[Text] Finance Minister Bresser Pereira today submitted the macroeconomic plan to the National Monetary Council.

Bresser admitted the plan's goal regarding the public deficit will be difficult to achieve. He said the goal is to lower the public deficit to 3.5 percent of GDP this year, and 2 percent next year. Bresser added that this will be difficult because a large part of these percentages comprise interest rates on the domestic and foreign debt.

Bresser pointed out that the government can reduce expenditures but cannot fail to pay the debt interest.

Says Flexibilization Under Way

PY010159 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 31 Jul 87

[Text] Finance Minister Bresser Pereira today promised in Sao Paulo that prices will not go up before salaries are increased. After having lunch with several businessmen at the Brazil-FRG Chamber of Commerce, Bresser said the flexibilization stage of the Bresser plan has already begun.

[Begin Bresser recording] The flexibilization stage has already begun, but prices will not go up before salaries do. Prices will go up very slowly, as will salaries. Both will follow a gradual process of readjustment. Salaries, however, will always be a little ahead of prices. This is the idea. The inflation rate will remain very low, because only a few prices will be readjusted. [end recording]

Views Proposal to Creditors

PY010326 Brasilia Domestic Service in Portuguese 2200 GMT 31 Jul 87

[Text] Finance Minister Luiz Carlos Bresser Pereira today said the government has decided to assign priority to problems affecting the external sector of the economy to prevent the country from losing all its reserves this month.

Speaking at a luncheon given by the Brazilian-German [not further identified] Chamber of Commerce in Sao Paulo, Bresser said he has proposed a conventional negotiation to the Brazilian creditors. In his opinion, the only nonconventional item in the Brazilian proposal is the zero spread.

CUT PRESIDENT ON LABOR, POLITICAL ISSUES

PY031628 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 87 p 5

[By Germano de Oliveira]

[Excerpt] In an exclusive interview with O ESTADO, Single Workers Confederation (CUT) national president Jair Antonio Meneguelli clearly said the general strike set for 20 August by his organization and the General Central Organization of Workers (CGT) will have a political character. He said: "CUT is tired of striking to obtain a 1 or 2 percent real salary increase; it now wants to change the country's structure." He admitted the strike is aimed at the Bresser Plan, which is considered to be recessionary, causing unemployment. However, he said he cannot see how CUT can destabilize the Sarney government. He said: "If it were so, we could take over the government." Meneguelli announced that CUT will stage more general strikes after the one scheduled 2 weeks from now. CUT will thus seek to obtain not only salary improvements, but direct and immediate presidential elections. Meneguelli justifies such an intention by saying "we have absolute mismanagement in the government."

The CUT president also said he does not fear the regime may harden, nor is he afraid of the military, which will be on alert during the general strike. He recommended "the military stay on alert to end corruption with impunity in the country." According to him, CUT does not encourage the looting of supermarkets and vandalism, but he said he would loot a supermarket "if my three daughters were asking for bread and I could not give it to them because I was out of work."

Although he has talked with government officials and businessmen, Meneguelli does not believe in a social pact. He said the word pact has been erased from the CUT dictionary, because "we can no longer punch holes in our belts." He does not care about being branded a radical, "because we are indeed radical in defense of the workers' rights." [passage omitted]

BRIEFS

AIRPLANE SALE TO PARAGUAY -- EMBRAER [Brazilian Aeronautics Company] today sold six Tucano Airplanes to the Paraguayan Air Force. [Text] [Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 23 Jul 87 PY]

OFFICIALS DISCUSS NEW U.S. NOTE ON LETELIER CASE

PY011607 Santiago Domestic Service in Spanish 1030 GMT 1 Aug 87

[Report from the Foreign Ministry]

[Text] Foreign Ministry spokesman Uldaricio Figueroa reported that the U.S. State Department has submitted a new note on the Letelier case. The note was submitted at the beginning of last week in Washington to Hernan Felipe Errazuriz, the Chilean ambassador to Washington.

Figueroa added that the Foreign Ministry will not make any comments on this note or its contents. The text of this note is one of the issues being discussed in the meetings Foreign Minister Ricardo Garcia is having with Hernan Felipe Errazuriz, the Chilean ambassador in Washington; Xavier Illanes, the Chilean ambassador to the OAS; and Pedro Daza, the Chilean ambassador to the United Nations.

This new note is the third one issued by the U.S. Government since it requested the extradition of former officers Manuel Contreras and Pedro Espinoza so they could testify in U.S. courts on the Letelier case. This note supposedly requests the Chilean courts to start a new legal proceeding on the case.

The talks that the foreign minister is holding with the three Chilean diplomats accredited to the United States will continue. In view of the many issues that must be discussed, the meeting scheduled with Chilean Ambassador Xavier Illanes has been postponed until 3 August.

MINISTRY TO GIVE FRG INFORMATION ON PRISONERS

PY040226 Santiago Domestic Service in Spanish 2300 GMT 3 Aug 87

[Text] The Foreign Ministry has made public the list of names of the people processed in the legal case the FRG is interested in. Foreign Ministry Spokesman Uldaricio Figueroa read the list of names and said no one is condemned to death as the FRG Government had reported. Some of them, he added, were sentenced to death by lower courts.

Figueroa said since there was a misunderstanding regarding the names of the prisoners mentioned by the FRG government, the Chilean Government requested the German administration to provide the names. The list of names delivered by the FRG Embassy to the Chilean Foreign Ministry reads as follows: Jorge Palma Donoso, Hugo Marcel Moya, Carlos Arameda Miranda, Rodolifo Rodriguez Moraga, (?Nidia Ortega Araya), (?Cecilia de las Mercedes Radrigan Plaza), Gonzalo Gonzalez Quiroga, Juan Gajardo Ortiz, Rolando Cartajena Cordoba, Raul Castro Montanares, (?Fernando Roberto Soto), Carlos Garcia Herrera, and Pedro Burgos Ibanez.

The Chilean Foreign Ministry will give the FRG Embassy all the information available concerning those mentioned in the list.

LETTER REQUEST U.S. BAN ATHLETES FROM GAMES

PY312228 Santiago Radio Chilena Network in Spanish 1700 GMT 31 Jul 87

[Text] Relatives of people shot in the northern region of Chile in October 1973 have delivered an open letter to the U.S. Embassy in Santiago. In the letter, addressed to the U.S. people and Government, they ask U.S. authorities to prohibit the entry of two members of the Chilean delegation that will participate in the Panamerican Games in Indianapolis.

The letter was delivered by Ida de Ramirez and Josefina Santacruz, close relatives of some of the people executed in the northern part of the country almost 14 years ago. The text of the letter states that the Chilean people were shocked and surprised at the news that Sergio Redondo Gonzalez and Daniel Zuniga were chosen as members of the delegation that will participate in the upcoming games.

The Group of Relatives of People Executed for Political Reasons [Agrupacion de Familiares de Ejecutados Politicos] asserts it has been proven that Sergio Redondo Gonzalez was a member of a group that, in 1973, toured [as heard] four northern cities, where 72 people were executed.

Those who signed the letter asked the U.S. ambassador to request his government consider the aforementioned facts before allowing entry, mainly because their relatives have not received a proper Christian burial. The letter adds that presence of these individuals in the delegation not only shocked a great number of Chileans, but will also affect the good relations between athletes and the public who applaud and admire them.

The group concludes the letter by saying: Mr Ambassador, we formally request that these people -- who, through their actions, have inflicted so much suffering -- be denied permission to enter the United States. We hope you, your government, and the U.S. people understand our feelings, and share our revulsion for the presence of these people in the Chilean delegation.

CHRISTIAN DEMOCRATIC PARTY ELECTS LEADERS

PY032342 Madrid EFE in Spanish 1512 GMT 2 Aug 87

[Text] Santiago, 2 Aug (EFE) -- Former Senator Patricio Alwyn today was elected president of the Chilean Christian Democratic Party (PDC), replacing former Foreign Minister Gabriel Valdes.

Valdes received the support of 132 of the 239 voters of the PDC national board, which met at the Punta de Tralca resort, 120 km west of Santiago.

Alwyn was president of the Senate in September 1973, when Pinochet staged his military coup. He defeated the two other candidates: Ricardo Hormazabal (who received 93 votes) and Arturo Frei (14 votes).

The new PDC executive board also includes Vice Presidents Andres Zaldivar, Narciso Irureta, and Edgardo Boeninger, and Secretary General Guttemberg Martinez.

EL SIGLO ON M-19 UNIFIED ARMY PROPOSAL

PA302326 Bogota EL SIGLO in Spanish 14 Jul 87 p 4

["One Minute Notes" column by Dario Hoyos Hoyos]

[Text] People who often talk with Dr Virgilio Barco say the president always has these words on the tip of his tongue: "We are at war."

Our most reliable source added: "That is what political parties and leaders of this country fail to understand."

Simultaneously, we learned of an extensive 51-page document by the M-19 that analyzes the country's situation and promotes possible strategies. Many coincide with what is actually happening.

We discovered this coincides with a recent proposal by the Education Minister: In the interest of news, we publish paragraphs from the aforementioned clandestine document, which has fallen into the hands of important national leaders:

"The CUT [United Workers Confederation], is a significant leap in the history of Colombian trade unionism. For the first time in the country, a group that gathers together the great majority of unionized workers is formed in a headquarters not controlled by agents of the oligarchy. Most CUT directors and affiliates claim to be removed from traditional parties. The new headquarters has formally defined itself as democratic, classist, progressive, independent from the state, and supportive of mobilization and solidarity methods.

"A first step in unified development is the advancement toward a single revolutionary army and the development of the people's armed forces. What we could call socialization within the CNG [National Guerrilla Coordinating Board] is rapidly advancing a new mi'itary concept incorporating strategic, tactical, and technical elements: gathering permament Army units; using engineering works, explosives and modern infantry weapons; carrying out coordinated campaigns in different areas of the nation; consolidating and developing joint CNG forces tha operate near big cities like Cali and Medellin; improving communications between various guerrilla units at all levels; jointly preparing fighters and special forces; and many other areas in which we are working hand in hand.

"This allows us to say that the single revolutionary army is already a fully developed possibility in which the greatest advancements toward unification have been made. With or without solution to the conflict is not reached during Barco's administration (a solution that seems highly unlikely because of the oligarchy's attitude), during the next 3 years we shall go from guerrilla warfare to mobile warfare, from harassment and destruction of small police and military units to annihilation of large units of the regime's Armed Forces; from guerrilla groups dispersed over a wide area to large, well-trained units of the revolutionary army combined with regional, local, and militia guerrillas that will maintain the revolution's political-military presence throughout the entire country."

The document indicates that the M-19 is searching for international legitimacy and analyzes the FARC and the truce policies in the following manner:

"We believe comrades from the FARC and UP [Patriotic Union] base this policy on three fundamental factors: First, their need, at this strategic moment, to organize an urban alternative to bipartisanism for the masses within the framework of electoral parliamentarism and union organization. Second, the possibility of organizing this alternative unifying FARC's prestige as a guerrilla movement and the legal work of the organizations politically linked within UP. Third, the use of contradiction between the two oligarchic positions for the management of the pacifying policy that is calling the procivilian sectors to rein in the promilitary sectors."

The document points out that there is an area of guerrilla disadvantage "that, we believe, outnumbers our advantages" and it mentions the following points:

"The FARC moves in an electoral parliamentarian terrain basically dominated by the oligarchy. This statement is clearly evidenced by electoral results that are a product of the huge oligarchic cliental apparatus and by the parliamentarian demolition that the UP is being subjected to because of its small representation."

"Paramilitary activity is introducing terror in FARC and UP areas of influence. Because of the truce, these aggressions cannot be contested appropriately. If this lack of response is not solved appropriately and promptly, it may cause serious negative effects upon the process that our companions have accomplished in these areas."

"The contradiction that occurs is between the mayors' offices, the negotiated public positions, and the social struggle. The few examples that exist show that UP mayors must solve social problems to maintain their positions and transmit an image of respectability. Moreover, this small co-government partially binds the UP mayors to Barco's deteriorated government. This has sometimes caused the conservative party's position to be more to the left than the position of our UP mayors."

"We confuse the popular democratic field and the the road to be followed. This aids the oligarchic tactic of winning political and military time."

"With the taming of the guerrillas we exclude the possibility of promoting and supporting the popular struggle's most radical expressions and of indicating that armed struggle is the only current option for Colombians to find democracy and peace."

This extensive document, which also mentions plans to destabilize the government and attain a transitional one, renders the following conclusion:

"In spite of our differences, it is essential to find a rapproachement between CNG and the FARC because any achievement in any field is lessened because of this division. We believe that if experiences in both the legal and illegal spheres and armed struggle are unified, they will crystalize into a cohesive process that will substantially enrich our possibilities as a current popular movement."

"Thus, all rapprochement efforts between both guerrilla blocks are to be discussed and agreed upon. The agenda should include politcial-military coordination tasks and an exchange of information that will moderate the tone of the controversy. [paragraph continues]

Controversy is indispensable among revolutionaries but could hinder the possibilities of making good use of the present political moment."

The chapter about a "national pact for a transition government" begins with the following paragraph:

"To solve the country's serious crisis, we propose a National Pact by which Colombians agree to democratically make a series of political, economic, and social changes, and to form a transition government that will make these changes effective."

To obtain what they propose, they state that "this plan should be the result and the synthesis of agreements between different sectors that currently propose changes for the country, such as unions, peasants, Indians, small and medium industries, political organizations and, in general, all those that have something to contribute toward the search for democracy and justice for Colombia."

VENEZUELAN 'AGENTS' ALLEGEDLY KIDNAP PILOT

PA031030 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 30 Jul 87

[Text] Yesterday, we were talking about problems on the Colombian-Venezuelan border. We referred to abuses by the military forces of our neighboring country. Listen to this, according to relatives of the victim, seven alleged members of the Venezuelan intelligence services kidnapped pilot Ramon Garrido in Arauca as he was leaving his house.

His whereabouts are unknown. Here is a report by Jose Luis Ramirez:

[Begin recording] [Ramirez] Seven armed men kidnapped Garrido as he was leaving his house to make a flight. Garrido's relatives said he was kidnapped by Venezuelan intelligence service agents.

[Unidentified male] Two PTJ [Judicial Technical Police] and DISIP [Directorate of Intelligence and Prevention Services] cars with agents carrying light machineguns entered Arauca, Colombia and seized my brother. They took him to Venezuela by force.

[Second unidentified male] Some Venezuelan men took him. They were mistreating him. All those men were armed.

[Ramirez] The authorities did not know about the incident and Alfredo Montufar Herazo, the Colombian consul in Venezuela, maintained that the only Colombians who are mistreated are those without documents.

[Montufar Herazo] I do not know anything about that kidnapping or who did it. [end recording]

BRIEFS

NEW ENVOY TO U.S. -- The Colombian Government has appointed Victor Mosquera Chaux as the new ambassador to the United States. Mosquera Chaux has held several government offices, among them Colombian ambassador to the U.K. [Summary] [Bogota EL SIGLO in Spanish 22 Jul 87 p 1 PA]

CONTROVERSY CHARACTERIZES COLORADO PARTY CONVENTION

Police Bar Traditionalists

PY011549 Asuncion Radio Primero de Marzo in Spanish 1320 GMT 1 Aug 87

[Report by correspondent Eligio Farina]

[Text] [Farina] We are talking with IBR [Agrarian Reform Institute] President Juan Manuel Frutos, near the home of [Colorado Party President] Juan Ramon Chaves. We want to know if Chaves' decision to suspend the Colorado Party convention is valid according to the party statutes.

[Frutos] Colorado Party statutes authorize the Colorado Party Executive Board to call a convention. This was done in keeping with the rules. It was widely publicized and until now everything has been more or less normal and in keeping with party statutes. I say more or less normal because today's raid was preceded by several irregular activities that violated political party regulations. I am referring to the arbitrary intervention by national authorities and also to the pressure Colorado Party members have been subjected to, about which we have irrefutable evidence.

All this reached its peak on 30 July when the president of Colorado Party precinct No 14 raided Colorado Party headquarters and without any reason insulted and attacked Gonzalez Riobo, the party administrative secretary, who was in his office at the time.

Later, the president of the same party precinct and about 10 or 14 followers attacked Colorado Party member Pena Gamba and injured him. [indistinct shouts heard in background] [Words indistinct] whom are they arresting? We must find out if he is a member of the Colorado Party Executive Board Secretariat. [words indistinct]

Well, all this shows we are experiencing an abnormal situation. Representatives of the Traditionalist Colorado Party faction are arrested at any time. When we were about to enter the party headquarters, a police cordon located at 25 de Mayo and Tacuari Streets prevented us from doing so. There was another police cordon in front of the party headquarters building. Therefore, there were two large police cordons which prevented conventioneers from having access to the building despite the fact these people had the proper credentials.

This means the convention is completely illegal because the police have not granted the proper guarantees. We have reports that when Pedro Hugo Pena, the secretary of the Colorado Party Executive Board, called on [police official] Shreiber to explain the situation, Shreiber told him he was following his superiors orders. Immediately afterward, Shreiber went to consult with the interior minister, and when he came back he reasserted that he was complying with orders from his superiors.

We must remember that the interior minister is running for the presidency of the Colorado Party Executive Board for the Militant faction. Therefore, he is directly responsible for the police intervention and for ordering them to block the access of Traditionalist conventioneers to party headquarters.

[Farina] Is Chaves' decision to suspend the party convention valid?

[Frutos] Chaves has acted in keeping with the powers bestowed upon him by the party statutes. These statutes state that the party president is empowered to adopt those measures that are needed to better manage party activities. The president must adopt all measures that are necessary when the proper conditions to hold a democratic assembly are not safeguarded. If traditionalists had insisted on overpowering the police cordon, there could have been bloodshed, which would have been regrettable. This is why I believe Chaves' decision is quite reasonable.

[Farina] Therefore, this decision is in keeping with the statutes?

[Frutos] Yes, of course. He has acted in keeping with the statutes.

[Farina] Thank you very much.

Resolution Suspends Convention

PY011601 Asuncion Radio Caritas in Spanish 1453 GMT 1 Aug 87

[Text] The resolution that this morning suspended the Colorado Party convention reads as follows:

The convention of the National Republican Association [Colorado Party], which was convoked for 1 and 2 August, is hereby suspended for lack of guarantees. Asuncion, 1 August 1987.

In view of the arbitrary attitude of the public order forces who prevented accredited, previously authorized members of the party from attending the meeting, reaching the convention location, and taking part in the convention, the president of the Colorado Party Executive Board, in accordance with Article 813, item 1; and Article 12, item 15, uses his authority to:

1. Suspend the Colorado Party convention, which was convoked for 1 and 2 August 1987, until the conditions to hold it are granted.

2. Adopt the measures established by Article 12, item 15, of the party statutes, which determine that when the convention is not held, the members of the preceding executive board shall continue to hold their positions until another convention is held.

3. Report the arbitrary actions to all party members, pointing out the disrespect for the democratic principles of our party.

Signed: Juan Ramon Chaves, president of the Colorado Party Executive Board; Pedro Hugo Pena, secretary; Juan Roque Galeano, secretary; and Roberto Gonzalez Riobo, secretary general.

To Proceed with 2 Factions

PY011455 Asuncion Red Privada de Television in Spanish 1238 GMT 1 Aug 87

[Interview with Public Health and Welfare Minister Adan Godoy Jimenez during the Colorado Party convention at Colorado Party Headquarters in Asuncion by an unidentified reporter -- live]

[Text] [Reporter] We are now in the company of Minister Adan Godoy Jimenez, one of the candidates of the Foursome for Loyalty and Hope Movement [Monimiento del Cuatrinomio de la Lealtad y la Esperanza]. He is running for vice president of the Colorado Party Executive Board. Mr Minister, in your opinion, how is this convention developing, now that one of the movements, the one headed by Juan Ramon Chaves, has walked out?

[Godoy Jimenez] The exclusion of the movement headed by Chaves is fully justified, because since the beginning that movement has realized they were alone against the rest of the Colorado Party members. We were the victims of several maneuvers that might have impaired the results of this convention. We have been resisting the attacks with a stoic, democratic, and understanding spirit. We were not inspired by personal interest. We thought they would come to the convention to create problems that might bring about serious incidents. This is what we expected before the convention was held.

At present, the representatives of two movements are here. One of the movements is headed by Montanaro and the other by Prieto Yegros. We have started the national convention with the presence of the two movements in accordance with the statutes of our party. The convention elected one convention member to be acting president because the vice president who might have presided over the convention is a candidate of one of the movements and could not act as provisional president of this convention. I am referring to Dr Ramon Enrique Reverchon [elected to preside over the convention]. The situation is normal and the convention will be held according to the agenda previously prepared. I do not believe there will be any incidents, and the convention will follow its normal course.

[Reporter] Thank you very much and good luck.

Minister Rebuts Chaves

PY012031 Asuncion Radio Caritas in Spanish 1900 GMT 1 Aug 87

[Interview with Health Minister Adan Godoy Jimenez during the Colorado Party convention at Colorado Party Headquarters in Asuncion by an unidentfied reporter -- live]

[Text] [Reporter] We are talking with the conventioneers. The leaders of the movement headed by Interior Minister Sabino Augusto Montanaro are still occupying the rostrum on the stage of the Colorado Party Headquarters. We will now interview Minister Godoy Jimenez. Will the agenda for this convention be fulfilled today?

[Godoy Jimenez] Yes, of course. Now that one of the main movements has withdrawn from the convention, the work is reduced and the convention will take less time. At present the secret voting is being conducted. Once the voting is finished, the returns will be made public and, I believe, the most important part of the convention will be finished.

[Reporter] Can you add anything to the comments you made at the beginning of the convention on the incidents that caused the Traditionalists to withdraw?

[Godoy Jimenez] Several aspects of the incident can be analyzed. First, we knew very well they would withdraw from the convention sooner or later. It was apparent in the preconvention meetings. Personally, I did not expect them to leave so early. I thought they would do it a little later in the day. We were surprised by Dr Chaves' decision to leave without explaining anything to anyone. We were so surprised that we sent two conventioneers to talk with him and try to convince him to return and start the convention. He did not want to, however, under the pretext that there were no guarantees for conducting the convention in safety. I believe he could have easily proved there were no guarantees, if it were really so.

We were saying if those who wanted to enter the convention did not have the necessary credentials, they would not be allowed to enter. Dr Chaves should have come to us at that time to consult with the people in charge of controlling the entrance, and thus solve the problem. He managed to enter. Several of his friends who are members of his faction also entered the convention place. Several members of the party's executive board who belong to the Traditionalist faction joined us and then left.

[Reporter] The end of the secret voting is being announced. We will continue our interview another time.

[Godoy Jimenez] So long. Thank you very much, and I am at your disposal.

Traditionalists Denounce Tactics

PY012209 Asuncion Radio Caritas in Spanish 1920 GMT 1 Aug 87

["Text" of Resolution issued by Colorado Party Traditionalist faction -- unidentified speaker reads resolution; in Asuncion -- live]

["Text"] [in progress] The party slate made up of Juan Ramon Chaves, president of the Colorado Party Executive Board; [Supreme Court Chief] Luis Maria Argana; [IBR, Agrarian Reform Institute President] Juan Manuel Frutos; [National University Rector] Dionisio Gonzalez Torres; and other worthy Colorado Party leaders, hereby reports to Colorado Party members and the general public the following regrettable incidents:

1. The regular convention of the Colorado Party was scheduled for today, 1 August 1987, at 0800. Since early this morning, the Colorado Party Headquarters where the assembly was to be held, has been occupied by the Asuncion police force. Since approximately 0700, supporters of the Traditionalist faction began to arrive at party headquarters, but the police force prevented the Traditionalist conventioneers from entering the convention hall. Numerous Traditionalist conventioneers were blocked by police at the corner of 25 de Mayo and Tacuary Streets. Despite their exhibiting valid credentials issued by the proper authorities, which should have allowed them to enter the convention hall, the police did not permit them to do so. The police only allowed those who carried a white document, which was not officially issued by Party authorities and which was only issued to conventioneers of the Militant faction, to enter the building.

2. In view of this situation, Pedro Hugo Pena asked Commissioner Shreiber, chief of the Police Public Order Department, why Traditionalist conventioneers were not allowed to enter the convention hall. Commissioners Schreiber answered that he was complying with orders from his superiors. Therefore, Pena asked him if his orders were still prevailing. Commissioner Shreiber asked the same question to Interior Minister Sabino Augusto Montanaro. After consulting with the interior minister, Commissioner Shreiber told Pena that Minister Montanaro had reconfirmed the order that Traditionalist conventioneers were still not allowed inside the convention hall.

3. Colorado Party President Juan Ramon Chaves was informed that Traditionalist conventioneers were not being allowed to enter the convention hall. After confirming this situation and by the powers vested in him by the Party statutes in Article No 3, clause No 1, he suspended the party convention because the fundamental rights of Colorado Party delegates had been violated.

4. Colorado Party members are hereby informed that statute regulations establish that when faced with incidents like those that have been reported, the outgoing Colorado Party Board remains in charge until a new convention can be held. This is established in Article No 12, clause No 15. Consequently, no Colorado Party meeting can now grant to any person or organization the legal right to represent the Colorado Party membership.

5. Colorado Party members are hereby urged to support the Traditionalist faction, which represents the genuine expression of the Colorado Party, which is rooted in the history of the fatherland.

Asuncion, 1 August 1987.

This communique carries the signatures of approximately 500 conventioneers [as heard]. [applause]

Chaves Addresses Followers

PY022114 Asuncion HOY in Spanish 2 Aug 87, Special Supplement p 5

[Text] "We have been with the Colorado Party members throughout the Republic to ensure that the Colorado Party continues to be the legal and nationalist instrument of the nation's future. However, today, as members of the party executive board we went to party headquarters to participate in the convention but repressive forces prevented the party members from exercising their right." This statement was made by Juan Ramon Chaves, Colorado Party President, from the balcony of his home to the many followers who came to greet him.

"There is no political, physical, or armed forces that can make us withdraw. We will be with the real Colorado Party members to the end. Be at ease because we are not going to retreat a single inch," said Chaves to the cheering crowd.

Chaves added: "It does not make any difference if those pseudo Colorado Party members assaulted the convention. We did not. We went there with clean hands and our hearts overflowing with the principles of the party and we are going to continue the struggle in the same manner."

He said the "traditionalist faction will prevail because the people of the Colorado Party are with them." Upon concluding his brief speech, Chaves said: "Dear fellow party members. I ask you to be calm in making decisions. I ask you to be patient because victory is ours." The people shouted "We want Chaves and no one else."

MIC Leader Discusses Support

PY022256 Asuncion HOY in Spanish 2 Aug 87, Special Supplement, p 7

[Text] Colorado Integration Movement (MIC) leader Edgar L. Ynsfran said "I would like to convey my full solidarity to my party, which has been attacked." Ynsfran visited Colorado Party executive board president Juan Ramon Chaves to express his full support after the militant sector overwhelmed the party convention.

Asked whether his "solidarity" was on his own behalf or on behalf of the movement he leads, Ynsfran said, "I am speaking on my own behalf but also on behalf of the MIC, which is currently preparing a statement."

Asked to give some details about the statement, he replied: "When it is ready, the statement will be submitted to me for approval. It will be approved if it accurately reflects what is happening now."

Ynsfran was also asked whether President Stroessner was aware of what was happening. "I don't know, that's his business," he replied.

Ynsfran was asked whether the MIC would join the Traditionalist faction. He said: "We have always belonged to the Colorado Party. We do not belong to any faction."

Ynsfran was asked to describe this solution to the two party executive board. He said: Our proposal basically consists of defending the Colorado Party. The party has been the target of an aggression; it has been attacked. It has been unfairly overwhelmed with a de facto situation in which the representatives of a majority of the Colorado Party have been discarded."

Concerning the "militant convention," Ynsfran said: "It is a spurious convention that will elect illegitimate authorities. Dr Chaves continues to be the president." When he was told that the "militant convention" was being covered by a radio and television network, he said "the media have also been overwhelmed."

Leader on Talk With Stroessner

PY032231 Asuncion Red Privada de Television in Spanish 1600 GMT 3 Aug 87

[Interview with Ramon Enrique Reverchon, Colorado Party Convention chariman, by unidentified reporters at the conclusion of an audience with President Alfredo Stroessner at Government Palace in Asuncion on 3 August -- recorded]

[Text] [Reverchon] We have come to greet the president of the Republic, thereby fulfilling the wish of the conventioneers who wanted to voice their affection and loyalty to him, the utmost leader of the Colorado Party.

At the same time they want to inform him he was unanimously elected, by a standing ovation, honorary president of the executive board of our political organization. We also exchanged opinions on the installation of the new executive board. It was decided the installation will take place at 1700 today at Colorado Party Headquarters. That's all.

[Reporter] What did the president have to say about being unanimously elected honorary president of the executive board?

[Reverchon] As everyone knows, the president is a Colorado Party member with great conviction, determination, and participation. He enjoys the respect and admiration of the Colorado Party members. Therefore, he has voiced his satisfaction over the affection and confidence the people have expressed once again in him. These feelings have been expressed by the unanimous decision to elect him honorary president by all conventioneers that attended this important meeting of the Colorado Party. The meeting was attended by 655 out of 853 conventioneers which represent 78 percent of Colorado Party members.

[Reporter] Did the president voice any concern over the party split?

[Reverchon] During the electoral campaign the president insistently pointed out -- he made these recommendations to Juan Ramon Chavez [president of the Traditionalist faction that withdrew from the convention] and other leaders of the various factions -- the need to gradually consolidate unity, to work for this unity cautiously and in a dedicated manner so that party's strength could grow constantly. This, undoubtedly, has always been his stance.

A few days before the convention, he publicly made his recommendation and you have heard it repeatedly. Therefore, it is public knowledge that the president was responsible for consolidating the party's unity in the past and, currently he is the person who most insistently, energetically, and authoritatively safeguards the Colorado Party's unity. Undoubtedly it is the natural consequence of the withdrawal of one of the movements from the convention. Ths movement will try with all means available to it, to justify its withdrawal. It will never admit it withdrew due to lack of support, that it was a minority in Saturday's voting. Numbers always tell the truth, they never lie. Mathematics never lie. A total of 853 conventioneers were authorized to take part in the event by a special commission in charge of this task. This commission was comprised of an equal number of representatives of the three movements. Out of these 853, 655 conventioneers attended the convention, which represents a participation of 78 percent of the legitimate representatives of the various party precincts throughout the country. Therefore, if we were to calculate the voting power of the movement that withdrew, we would only have 198 conventioneers, which represents a minority of 22 percent. Therefore, this has been a regrettable withdrawal of a movement, which to a certain extent, sought to avoid a disgraceful defeat during the vote count. Whatever it may do after this will only be an effort to justify its withdrawal.

[Reporter] Senator Reverchon also said Juan Ramon Chaves has always been an honorable citizen. Lately, however, Reverchon said he had obviously been influenced by people that made him change his behavior and that resulted in his withdrawal from the convention.

POLICE FREE OPPOSITION LEADERS ARRESTED 30 JUL

PY031425 Asuncion Radio Primero de Marzo in Spanish 1407 GMT 3 Aug 87

[Text] The 23 opposition leaders to President Stroessner's regime who were arrested on 30 July during a public demonstration were released early this morning.

They were arrested downtown while trying to hold the third Civic Assembly sponsored by the Febrerista Revolutionary Party, with the participation of the National Accord; the Authentic Radical Liberal Party; the Christian Democratic Party; the Popular Colorado Movement, MOPOCO, which is a dissident faction of the Colorado Party; and another Colorado Party faction called the Ethical Group.

The politicians who were released include Domingo Laino, leader of the Authentic Radical Liberal Party and current president of the National Accord; Miguel Angel Gonzalez Casabianca, MOPOCO president; and Luis Alfonso Resck, leader of the Christian Democratic Party.

Leader Comments on Detention

PY031833 Asuncion Radio Caritas in Spanish 1514 GMT 3 Aug 87

[Excerpts] The opposition leaders who were arrested downtown on 30 July were released this morning. [passage omitted]

Carlos Romero Pereira of the Ethical Group of the Colorado Party, who was among those released, talked about this event.

[Begin recording] What happened outside the jail, everyone knows; but what happened inside is extraordinary because we confirmed once again that the Paraguayan democratic opposition has a very strong will, which the government should begin to consider because of its importance and great force. Our detention had two stages. At Police Headquarters we were allowed to receive clothing and things like that, but without any outside contacts. We received newspapers and things like that. The moment we were transferred to the police security jail, all communications ended. We did not receive anything until yesterday -- things like medicine and clothing.

Luis Alfonso Resck, who is injured, finally will be able to see a doctor and get x-rays to check on his condition. He is injured on his left side. There is a man named Zelada who was badly beaten. He has a broken arm. He did not get any medical attention either. He only got some pain pills. There is another man, Hugo Lafuente, who was also beaten badly. Then there is Dr Saldivar, who suffers from a heart condition. [passage omitted]

The great solidarity among the democratic opposition is the great wealth we have. I was able to see personally that this solidarity is a great reality and a great hope for our poor suffering people. [end recording]

Romero Pereira pointed out that the current events are just one stage of the people's struggle against the regime.

[Begin recording] This is one stage of the struggle. The struggle will not stop until the dictatorship is overthrown. You can rest assured of that. Even after we die many others who want to liberate this country will be born. [end recording] [passage omitted]

Regarding the current situation in the Colorado Party, Carlos Romero Pereira said he learned about the events of the Colorado Party Convention through a radio they had in the police security jail.

[Begin recording] We had a radio and were able to learn about the problem at the Colorado Party headquarters regarding the credentials issued to the conventioneers. The credentials of the Militant faction were a different color than those of the Traditionalist faction; subsequently, only the conventioneers carrying credentials issued by the Militants were able to enter. The others could not. It was an assault on the convention. Of course, this was part of a plan. Who are the Militants? They are the Stroessner supporters. The traditionalists in some ways support Stroessner, but they are not Stroessnerist Colorados. I have said a thousand times and I would like to say again: This event proved who is running the operation. The chief of the Militants is the president himself. There is absolutely no doubt about it. Everybody knows that.

This proves once more what I have already said, this is the last chance for the party executive board to recover the party from its captivity. We will see if the Traditionalists are able to do it. I hope they will. We are all going to support them. Then we will have to get together. First they have to recover the party for it to become a real party. It should be understood once and for all that Coloradism and Stroessnerism are complete contradictions; one thing has nothing to do with the other. [end recording]

Romero Pereira said he agrees with the idea of founding the Colorado Party anew with the presence of the different factions of the party, in accordance with a proposal made by Rolando Elizeche. [passage omitted]

IMPRISONED POLITICIAN'S CONDITION 'SERIOUS'

PY030245 Asuncion Radio Caritas in Spanish 0132 GMT 3 Aug 87

[Text] Relatives of Luis Alfonso Resck, leader of the Christian Democratic Party who remains in custody in the Special Police Unit Prison, have reported that his medical condition is serious. He began a hunger strike, and his left shoulder is dislocated due to blows he has received.

We reiterate that Christian Democrat leader Luis Alfonso Resck is on a hunger strike and his left shoulder is dislocated. His relatives are very worried because Resck is in great pain and has not been allowed to receive medical attention.

NEWS MEDIA CONDEMN ATTACK ON PHOTOGRAPHER

PY310141 Asuncion Red Privada de Television in Spanish 0000 GMT 31 Jul 87

[Text] A regrettable event took place today. A photographer of the newspaper EL DIARIO NOTICIAS who was fulfilling his duties this morning during the Febrerista Revolutionary Party Civility Assembly meeting, was brutally beaten by a policeman. EL DIARIO NOTICIAS is part of the Red Privada de Comunicacion Network.

As a consequence of this unjustified attack, photographer Cesar Villalba had his left hand broken and had to be taken to the hospital. The Red Privada de Comunicacion condemns this type of action and demands that police authorities mete out exemplary punishment to the policemen who cowardly attacked the photographer who was merely fulfilling his duty.

UNITED LEFT BLAMES GARCIA FOR NATION'S MISFORTUNES

PA302236 Madrid EFE in Spanish 0418 GMT 27 Jul 87

[Text] Lima, 26 Jul (EFE) -- The United Left (IU), the main opposition force in Peru, strongly criticized President Alan Garcia's administration, which will be 2 years old on 28 July.

IU coordinator Manuel Dammert said on state television that the APRA [American Popular Revolutionary Alliance] regime has become defined as a "continuation of promonopoly structural measures" that have worsened Peru's misfortunes during the last 30 years.

He described recent government economic measures as beneficial to large monopolies, stressing that the foreign debt payment had been reduced "to give the surplus to large industrial-financial monopolies."

When Alan Garcia became president, he announced that Peru would pay its foreign debt with only 10 percent of its exports. However, a few weeks ago Garcia admitted that a greater percentage had been paid.

Dammert stated that the IU rejects terrorism, but he criticized the policy followed in the struggle against this disgrace to society and the policy to bring peace to the country. This has given way to militarization, abdicating civilian power in emergency areas." Dammert said civilian government committees should be organized in these areas to substitute the military-political commands that he described as institutionalized, and to demand a change to "the dirty war strategy."

LARCO COX SAYS NO EXPROPRIATION OF FOREIGN BANKS

PA311357 Buenos Aires REUTER in Spanish 1027 GMT 31 Jul 87

[By Anne Marie O'Connor]

[Text] Lima, 31 Jul (REUTER) -- Prime Minister Guillermo Larco Cox said the government of President Alan Garcia will definitely not expropriate the branches of foreign banks in Lima as part of its plan to nationalize the country's private banks.

In a telephone interview, Larco Cox told REUTER "the possibilities include that the administration of foreign banks could become affected but this does not mean the banks will be expropriated." According to Garcia's nationalization plan, Peru's private banks will be expropriated and indemnified according to Peruvian law.

The fate of six subsidiaries of foreign banks operating in Lima had been unclear after Garcia mentioned his proposal in his message to the country on Tuesday. The president did not refer to them specifically in his speech. In addition, these banks were not mentioned in a presidential decree released yesterday. This decree established the terms for the administrative takeover of the banks by the state. This takeover will last 120 days while congress sanctions the nationalization law.

Larco Cox told REUTER: "We cannot nationalize that which is not ours. However, we can take measures affecting (foreign) branches." Asked about details, he only said: "that will have to be debated in congress."

The six foreign banks with branches in Peru are: The Bank of Tokyo Ltd, Citicorp, Bankamerica Corp, Bank of London and South America Ltd, Banco Central de Madrid, and the Chase Manhattan Corp.

The decree also banned the foreign exchange parallel market via unofficial currency exchange houses, and stated that the official banks will establish a new foreign currency exchange system regulated by the state. According to the decree, which went into effect yesterday, Peruvians are forbidden to have bank accounts abroad and will have 15 days to repatriate their savings and sell them to state banks.

At the beginning of his 3d year in office, Garcia said his center-leftist government decided to nationalize banks because they discriminate against the poor rural population in their credit practices and have contributed to a flight of capital.

BANKS, OTHER FIRMS, RETURNED TO OWNERS 3 AUG

PA032014 Hamburg DPA in Spanish 1835 GMT 3 Aug 87

[Text] Lima, 3 Aug (DPA) -- The owners of 10 banks, 6 finance companies, and 17 private insurance firms seized by the government last week in Peru today got them back due to a legal order and amid expressions of rejoicing by company employees.

Meanwhile, the committees appointed by President Alan Garcia's government to seize the companies had to leave these firms, particularly the banks. In some cases the government officials left amid shouting and hostile hissing and booing.

A Lima judge on Saturday accepted a writ of amparo filed against the seizure decree, declaring it unconstitutional and a violation of freedom of enterprise, which were the charges filed by the companies. The companies also considered unconstitutional the government's move to nationalize their companies. The government said it will appeal to a higher court against the suspension of seizures of banks, financial firms and insurance companies, reiterating its decision to nationalize these companies to "democratize credit in the country."

The bill on nationalization of banks, financial companies, and insurance firms that President Garcia sent to the congress will be discussed beginning tomorrow in the Chamber of Deputies of the congress of the Republic.

For Peruvian political circles opposed to the Garcia administration the recovery of these companies by their legitimate owners is "a first defeat for the president and evidence of the independence of the judicial branch from the executive branch." However, the legal battle to prevent government seizure, first, and nationalization later, will be long in the Peruvian courts, those same sources noted. "A battle has been won, but not the war," the owner of one of the banks said.

The owners are determined to go all the way to the Supreme Court to oppose seizure and nationalization, even if in the end they are approved by the congress of the Republic, where the government has a majority.

The superintendency of banks and insurance, which carried out the judicial order that today allowed the boards and stockholders to reassume control over their companies, announced it will declare void the measures adopted since the seizing officials entered banks, financial companies, and insurance firms last week, disbanding boards and directorships.

'DIRTY CAMPAIGN' DESIGNED TO DISCREDIT CONTADORA

FL031814 Mexico City NOTIMEX in Spanish GMT 2 Aug 87

[Text] Mexico City, 2 Aug (NOTIMEX) -- Venezuelan Foreign Minister Simon Alberto Consalvi warned today that although the climate is right for a negotiated peace in Central America, the region's presidents must act cautiously in face of persistent outside influences that foster conflicts. Returning here with his Mexican counterpart, Bernardo Sepulveda Amor, from the foreign ministers' meeting in Tegucigalpa, Honduras, Consalvi acknowledged there are dirty campaigns afoot financed and orchestrated to discredit the Contadora peace process.

Alluding to statements made by Costa Rican President Oscar Arias Sanchez accusing the Contadora Group of interventionism, Consalvi said that in a serious conversation (such as a news conference) one could not repeat or take note of these dirty campaigns.

Consalvi, who left for his country today, added that one of Contadora's weaknesses is that it lacks secret financial resources to discredit those who foster, sponsor, or propose non-peaceful solutions for the region; if Contadora had the resources, it would wage constructive, edifying, and non-divisive campaigns against any move to discredit and impede the unity and solid ties of the Latin American countries.

Commenting on the results of the Tegucigalpa meeting, Consalvi remarked that the Central American and Contadora foreign ministers had met for 2 days following a 1-year non-productive hiatus to analyze the Arias plan and its points in common with Contadora's general aim. He said that efforts had been made on several scores to align the two peace proposals so that the Central American foreign ministers and presidents who will meet in Guatemala on 6-7 August may have a much more organic and harmonious document with which to work.

The Tegucigalpa document, he asserted, to a large extent includes the observations made on the Arias plan and paves the way for negotiations and the application of Contadora's general scheme whose broad scope was recognized by the Central American foreign ministers, who interpreted the well-considered and constructive observations made on the plan.